

PARK COUNTY, WYOMING
Cody, Wyoming

FINANCIAL STATEMENTS
June 30, 2015

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INDEPENDENT AUDITORS' REPORT

Board of County Commissioners
Park County, Wyoming

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Park County, Wyoming, as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the entity's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Park County, Wyoming as of June 30, 2015, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matters

As described in Note 14 to the financial statements, Park County, Wyoming adopted the provisions of Governmental Accounting Standards Board (GASB) Statement No. 68, *Accounting and Financial Reporting for Pensions*, and the related GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date*, an amendment of GASB Statement No. 68. As a result of the implementation of GASB Statement No. 68 and 71, Park County, Wyoming reported a restatement for the change in accounting principle. Our opinions were not modified with respect to the restatement.

As discussed in Note 14, during the year ended June 30, 2014 Park County, Wyoming corrected an error related to the understatement of capital assets in the both the governmental and business-type activities. Our opinions were not modified with respect to the restatement.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Budgetary Comparison Schedule (Budgetary Basis) – General Fund and Pension Schedules on pages 47-50 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Management has omitted the management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by this missing information.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Park County, Wyoming's basic financial statements. The combining nonmajor fund financial statements and the combining component unit financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The schedule of expenditures of federal awards, as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, is also presented for purposes of additional analysis and is not a required part of the basic financial statements.

The combining nonmajor fund financial statements, the combining component unit financial statements, and the schedule of expenditures of federal awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated February 16, 2016, on our consideration of Park County, Wyoming's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the result of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Park County, Wyoming's internal control over financial reporting and compliance.



CliftonLarsonAllen LLP

Broomfield, Colorado
February 16, 2016

PARK COUNTY, WYOMING
STATEMENT OF NET POSITION
June 30, 2015

	Primary Government			Component Units
	Governmental Activities	Business-Type Activities	Total	County Boards
ASSETS				
Cash and investments	\$ 19,971,697	\$ 4,814,813	\$ 24,786,510	\$ 1,047,292
Restricted cash and investments	2,126,444	-	2,126,444	193,704
Receivables:				
Accounts receivable	186,702	195,856	382,558	86,297
Taxes receivable	152,040	-	152,040	2,020
Intergovernmental	1,340,640	-	1,340,640	-
Loans receivable	26,856	-	26,856	-
Accrued interest	8,959	-	8,959	-
Prepaid	112,739	-	112,739	4,082
Inventories	837,191	-	837,191	82,568
Internal balances	90,413	(90,413)	-	-
Capital assets, not being depreciated	4,774,929	91,428	4,866,357	1,276,287
Capital assets, net of accumulated depreciation	50,095,737	3,229,398	53,325,135	1,372,340
Total assets	79,724,347	8,241,082	87,965,429	4,064,590
DEFERRED OUTFLOWS OF RESOURCES				
Pension related items	1,359,066	74,670	1,433,736	224,969
Total deferred outflows of resources	1,359,066	74,670	1,433,736	224,969
LIABILITIES				
Accounts payable	396,935	-	396,935	-
Accrued liabilities	467,396	36,682	504,078	2,026
Long-term liabilities				
Due within one year	403,676	46,251	449,927	71,559
Due in more than one year	256,914	6,136,964	6,393,878	8,434
Net pension liability	5,785,383	407,617	6,193,000	1,317,900
Total liabilities	7,310,304	6,627,514	13,937,818	1,399,919
DEFERRED INFLOWS OF RESOURCES				
Pension related items	-	-	-	32,063
Total deferred inflows of resources	-	-	-	32,063
NET POSITION				
Net investment in capital assets	54,870,666	3,320,826	58,191,492	2,648,627
Restricted for:				
Public safety	481,660	-	481,660	-
County roads	2,165,737	-	2,165,737	-
Library	-	-	-	193,704
Unrestricted	16,255,046	(1,632,588)	14,622,458	15,246
Total net position	\$ 73,773,109	\$ 1,688,238	\$ 75,461,347	\$ 2,857,577

The accompanying notes are an integral part of the financial statements.

**PARK COUNTY, WYOMING
STATEMENT OF ACTIVITIES
Year Ended June 30, 2015**

FUNCTIONS/PROGRAMS	Program Revenues			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary Government				
Government activities				
General government	\$ 9,376,082	\$ 1,648,461	\$ 475,069	\$ 1,807,632
Public safety	11,529,109	375,442	254,688	-
Public works	5,210,698	121,075	908	-
Health services	676,379	119,515	395,107	-
Environmental management	51,570	-	-	-
Total government activities	26,843,838	2,264,493	1,125,772	1,807,632
Business-Type Activities				
Landfill	(120,328)	1,992,129	-	-
Total business-type activities	(120,328)	1,992,129	-	-
Total primary government	\$ 26,723,510	\$ 4,256,622	\$ 1,125,772	\$ 1,807,632
Component Units				
Boards	\$ 4,287,094	\$ 1,262,912	\$ 28,179	\$ -

Net (Expense) Revenue and Change in Net Position

	Primary Government			Component
	Governmental	Business-Type	Total	Units
	Activities	Activities		County Boards
	\$ (5,444,920)	\$ -	\$ (5,444,920)	\$ -
	(10,898,979)	-	(10,898,979)	-
	(5,088,715)	-	(5,088,715)	-
	(161,757)	-	(161,757)	-
	(51,570)	-	(51,570)	-
	<u>(21,645,941)</u>	<u>-</u>	<u>(21,645,941)</u>	<u>-</u>
	-	2,112,457	2,112,457	-
	-	2,112,457	2,112,457	-
	<u>(21,645,941)</u>	<u>2,112,457</u>	<u>(19,533,484)</u>	<u>-</u>
	-	-	-	(2,996,003)
General revenues				
Taxes				
Property and PILT	12,036,643	-	12,036,643	2,991,037
County road	814,060	-	814,060	-
E-911	174,255	-	174,255	-
Sales and use	4,440,205	-	4,440,205	-
Severance	1,046,374	-	1,046,374	-
Gasoline	1,535,581	-	1,535,581	-
Motor vehicle	1,098,901	-	1,098,901	-
Forest reserve	578,871	-	578,871	-
Lodging	80,211	-	80,211	-
Investment income	71,297	17,067	88,364	10,304
Transfers	116,514	(116,514)	-	-
Other	361,452	-	361,452	-
Total general revenues	<u>22,354,364</u>	<u>(99,447)</u>	<u>22,254,917</u>	<u>3,001,341</u>
Change in net position	708,423	2,013,010	2,721,433	5,338
Net position, beginning (as restated)	<u>73,064,686</u>	<u>(324,772)</u>	<u>72,739,914</u>	<u>2,852,239</u>
Net position, ending	<u>\$ 73,773,109</u>	<u>\$ 1,688,238</u>	<u>\$ 75,461,347</u>	<u>\$ 2,857,577</u>

The accompanying notes are an integral part of the financial statements.

PARK COUNTY, WYOMING
BALANCE SHEET - GOVERNMENTAL FUNDS
June 30, 2015

	<u>General</u>	<u>County Road Construction Fund</u>	<u>Library Construction Fund</u>	<u>Nonmajor Governmental Funds</u>	<u>Total</u>
ASSETS					
Cash and investments	\$ 18,596,603	\$ -	\$ 20,473	\$ 504,710	\$ 19,121,786
Restricted cash and investments	-	2,126,444	-	-	2,126,444
Accounts receivable	186,702	-	-	-	186,702
Taxes receivable	77,772	51,528	-	22,740	152,040
Loans receivable	26,856	-	-	-	26,856
Accrued interest	8,122	698	7	132	8,959
Intergovernmental receivable	1,340,640	-	-	-	1,340,640
Due from other funds	136,635	-	-	-	136,635
Prepaid items	55,906	-	-	56,833	112,739
Inventories	837,191	-	-	-	837,191
Total assets	<u>\$ 21,266,427</u>	<u>\$ 2,178,670</u>	<u>\$ 20,480</u>	<u>\$ 584,415</u>	<u>\$ 24,049,992</u>
LIABILITIES, DEFERRED INFLOW OF RESOURCES AND FUND BALANCES					
LIABILITIES					
Accounts payable	\$ 384,302	\$ 12,633	\$ -	\$ -	\$ 396,935
Accrued salaries and benefits	445,055	-	-	-	445,055
Due to other funds	-	300	-	45,922	46,222
Total liabilities	<u>829,357</u>	<u>12,933</u>	<u>-</u>	<u>45,922</u>	<u>888,212</u>
DEFERRED INFLOW OF RESOURCES					
Unavailable revenue	161,646	-	-	-	161,646
Total deferred inflow of resources	<u>161,646</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>161,646</u>
FUND BALANCES					
Nonspendable	893,097	-	-	56,833	949,930
Restricted for					
Capital outlay	-	2,165,737	-	-	2,165,737
Public Safety	-	-	-	481,660	481,660
Assigned to					
Capital outlay	-	-	20,480	-	20,480
Unassigned	19,382,327	-	-	-	19,382,327
Total fund balance	<u>20,275,424</u>	<u>2,165,737</u>	<u>20,480</u>	<u>538,493</u>	<u>23,000,134</u>
Total liabilities, deferred inflow of resources, and fund balances	<u>\$ 21,266,427</u>	<u>\$ 2,178,670</u>	<u>\$ 20,480</u>	<u>\$ 584,415</u>	<u>\$ 24,049,992</u>

The accompanying notes are an integral part of the financial statements.

PARK COUNTY, WYOMING
RECONCILIATION OF THE BALANCE SHEET
OF THE GOVERNMENTAL FUNDS TO THE
STATEMENT OF NET POSITION
June 30, 2015

Total governmental fund balance	\$ 23,000,134
Amounts reported for governmental activities in the statement of activities are different because:	
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	54,870,666
Deferred inflow of resources - Revenues that do not provided current financial resources are deferred on the governmental fund financial statements but recognized on the government-wide financial statements.	161,646
Long-term liabilities, including bonds payable, compensated absences, other postemployment benefits, and accrued interest are not due and payable in the current period and, therefore, are not reported in the funds:	
Tax rebates	(20,404)
Compensated absences	(329,126)
Net pension liability - county	(5,276,975)
Net pension liability - law enforcement	(508,408)
Deferred pension outflows of resources used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds.	1,359,066
Internal service funds are used by the County to charge the costs of certain activities to individual funds. The assets and liabilities of the internal service fund are included in the governmental activities in the statement of net position.	<u>516,510</u>
Net position of governmental activities	<u>\$ 73,773,109</u>

The accompanying notes are an integral part of the financial statements.

PARK COUNTY, WYOMING
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
Year Ended June 30, 2015

	<u>General</u>	<u>County Road Construction Fund</u>	<u>Library Construction Fund</u>	<u>Other Governmental Funds</u>	<u>Total</u>
REVENUES					
Intergovernmental	\$ 5,413,271	\$ -	\$ -	\$ -	\$ 5,413,271
Charges for goods and services	1,281,627	-	-	-	1,281,627
Lease/rental	566,764	-	-	-	566,764
Taxes	18,576,572	814,060	8,345	174,255	19,573,232
License and permits	56,736	-	-	-	56,736
Interest income	70,789	-	(47)	464	71,206
Other	38,464	8,343	-	-	46,807
Total revenues	<u>26,004,223</u>	<u>822,403</u>	<u>8,298</u>	<u>174,719</u>	<u>27,009,643</u>
EXPENDITURES					
General government	9,336,546	-	-	-	9,336,546
Public works	10,767,897	844,926	-	-	11,612,823
Public safety	5,146,012	-	-	186,515	5,332,527
Health services	668,821	-	-	-	668,821
Environmental management	50,995	-	-	-	50,995
Total expenditures	<u>25,970,271</u>	<u>844,926</u>	<u>-</u>	<u>186,515</u>	<u>27,001,712</u>
EXCESS OF REVENUES OVER (UNDER)					
EXPENDITURES	<u>33,952</u>	<u>(22,523)</u>	<u>8,298</u>	<u>(11,796)</u>	<u>7,931</u>
OTHER FINANCING SOURCES (USES)					
Transfers in	24,333	-	-	-	24,333
Total other financing sources (uses)	<u>24,333</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>24,333</u>
NET CHANGE IN FUND BALANCES	58,285	(22,523)	8,298	(11,796)	32,264
FUND BALANCES, Beginning	<u>20,217,139</u>	<u>2,188,260</u>	<u>12,182</u>	<u>550,289</u>	<u>22,967,870</u>
FUND BALANCES, Ending	<u>\$ 20,275,424</u>	<u>\$ 2,165,737</u>	<u>\$ 20,480</u>	<u>\$ 538,493</u>	<u>\$ 23,000,134</u>

The accompanying notes are an integral part of the financial statements.

PARK COUNTY, WYOMING
RECONCILIATION OF THE STATEMENT OF REVENUE, EXPENDITURES
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
Year Ended June 30, 2015

Amounts reported for governmental activities in the Statement of Activities are different because:

Net change in fund balances of governmental funds	\$	32,264
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Capital outlays to purchase or construct capital assets are reported in governmental funds as expenditures. However, for governmental activities those costs are capitalized in the statement of net position and are allocated over their estimated useful lives as annual depreciation expense in the statement of activities. This is the amount by which depreciation expense and loss on disposal exceeded capital outlay in the current year.

Capital outlay		6,077,048
Depreciation expense		(5,122,729)
Disposal of capital assets		(89,382)
Contribution from landfill fund		116,514

In the statement of activities, the results of certain agreements for tax rebates are recorded against revenue; however, due to their long-term payback nature, they are not recorded as liabilities at the fund level. The repayment reduces long-term liabilities in the statement of net position.

7,321

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in government funds.

Earned but unavailable revenue		111,368
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Internal service funds are used by the County to charge the costs of certain activities to individual funds. The net revenue (expense) of the internal service fund are included in the governmental activities in the statement of activities.

(116,339)

Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.

Accrued compensated absences		1,626
Change in contributions subsequent to measurement date		30,869
Pension expense		(907,709)
Change in proportionate share (first year amortization)		(49,746)
Employer contribution expense		<u>617,318</u>

Change in net position of governmental activities	\$	<u>708,423</u>
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The accompanying notes are an integral part of the financial statements.

PARK COUNTY, WYOMING
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
June 30, 2015

	Landfill	Internal Service Fund
ASSETS		
Current assets		
Cash and cash equivalents	\$ 4,814,813	\$ 849,911
Accounts receivable	194,305	-
Other receivables	1,551	-
Total current assets	5,010,669	849,911
Noncurrent assets		
Capital assets, not being depreciated	91,428	-
Capital assets, net of accumulated depreciation	3,229,398	-
Total assets	8,331,495	849,911
DEFERRED OUTFLOWS OF RESOURCES		
Pension related items	74,670	-
Total deferred outflows of resources	74,670	-
LIABILITIES		
Current liabilities		
Accrued liabilities	8,040	-
Accrued salaries and benefits	28,642	22,341
Due to other funds	90,413	-
Current portion of compensated absences	8,711	-
Current portion of long-term debt	37,540	-
IBNR (incurred but not reported) claims payable	-	311,060
Noncurrent liabilities		
Compensated absences	26,132	-
Long-term debt	2,120,484	-
Closure/postclosure liability	3,990,348	-
Net pension liability	407,617	-
Total liabilities	6,717,927	333,401
NET POSITION		
Investment in capital assets	3,320,826	-
Unrestricted	(1,632,588)	516,510
Total net position	\$ 1,688,238	\$ 516,510

The accompanying notes are an integral part of the financial statements.

PARK COUNTY, WYOMING
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
Year Ended June 30, 2015

	Landfill	Internal Service Fund
OPERATING REVENUES		
Charges for goods and services	\$ 1,991,872	\$ 2,190,760
Reimbursement	-	310,849
Other	257	3,796
Total operating revenues	1,992,129	2,505,405
OPERATING EXPENSES		
Personnel services	825,583	101,068
Repairs and maintenance	126,035	-
Contractual services	-	1,897,412
Materials and supplies	26,134	-
Utilities and telephone	22,622	-
Professional fees	137,689	549,287
Depreciation expense	452,292	-
Change in closure/postclosure estimate	(1,729,283)	-
Other	12,086	49,735
Total operating expenses	(126,842)	2,597,502
Net operating income	2,118,971	(92,097)
NONOPERATING REVENUES (EXPENSES)		
Contribution of capital assets to governmental activities	(116,514)	-
Interest income	17,067	91
Transfers out	-	(24,333)
Interest expense	(6,514)	-
Total nonoperating revenues (expenses)	(105,961)	(24,242)
Change in net position	2,013,010	(116,339)
NET POSITION, Beginning (as restated)	(324,772)	632,849
NET POSITION, Ending	\$ 1,688,238	\$ 516,510

The accompanying notes are an integral part of the financial statements.

**PARK COUNTY, WYOMING
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
Year Ended June 30, 2015**

	Landfill	Internal Service Fund
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash received from customers	\$ 2,031,860	\$ 2,194,556
Cash paid to suppliers	(416,649)	(2,137,386)
Cash paid to employees	<u>(797,113)</u>	<u>(95,757)</u>
Net cash provided (used) by operating activities	<u>818,098</u>	<u>(38,587)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Cash paid for postclosure costs	<u>(717,155)</u>	-
Net cash used by capital and related financing activities	<u>(717,155)</u>	<u>-</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
Proceeds from debt issuance	1,242,273	-
Principal payments on long-term debt	(40,558)	-
Interest payments on long-term debt	(6,514)	-
Interfund activity	<u>(513,261)</u>	<u>(24,333)</u>
Net cash provided (used) by non capital financing activities	<u>681,940</u>	<u>(24,333)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest received	<u>17,067</u>	<u>91</u>
Net cash provided by investing activities	<u>17,067</u>	<u>91</u>
NET CHANGE IN CASH AND CASH EQUIVALENTS	799,950	(62,829)
CASH AND CASH EQUIVALENTS, Beginning	<u>4,014,863</u>	<u>912,740</u>
CASH AND CASH EQUIVALENTS, Ending	<u>\$ 4,814,813</u>	<u>\$ 849,911</u>

The accompanying notes are an integral part of the financial statements.

**PARK COUNTY, WYOMING
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
Year Ended June 30, 2015**

	<u>Landfill</u>	<u>Internal Service Fund</u>
Reconciliation of operating income (loss) to net cash provided by operating activities		
Operating income (loss)	\$ 2,118,971	\$ (92,097)
Adjustments to reconcile operating activities		
Depreciation	452,292	-
Closure/postclosure estimates	(1,729,283)	-
Changes in working capital components		
Accounts receivable	39,731	-
Pension related items	24,264	-
Accounts payable	(92,083)	-
Accrued liabilities	4,206	5,311
Claims incurred but not reported	-	48,199
	<u> </u>	<u> </u>
Total adjustments	(1,300,873)	53,510
	<u> </u>	<u> </u>
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u>\$ 818,098</u>	<u>\$ (38,587)</u>

The accompanying notes are an integral part of the financial statements.

PARK COUNTY, WYOMING
STATEMENT OF FIDUCIARY NET POSITION
June 30, 2015

	Agency Fund
ASSETS	
Cash and investments	\$ 4,972,585
Accounts receivable	630,351
Total assets	\$ 5,602,936
LIABILITIES	
Unapportioned auto taxes	3,840,205
Due to other taxing districts	1,243,627
Funds held in trust	519,104
Total liabilities	\$ 5,602,936

The accompanying notes are an integral part of the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

PARK COUNTY, WYOMING
NOTES TO THE FINANCIAL STATEMENTS
Year Ended June 30, 2015

NOTE 1 – NATURE OF BUSINESS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Park County, Wyoming (County) conform with generally accepted accounting principles (GAAP) applicable to government units. The Governmental Accounting Standards Board (GASB) is the standard-setting body for governmental accounting and financial reporting. GASB statements and interpretations constitute GAAP for governments.

The accompanying financial statements and related notes are public information and available upon request. Information related to federal grants and contracts required by U.S. Office of Management and Budget Circular A-133 is public information and is available upon request.

Reporting Entity

All the entities (funds, enterprises, institutions, agencies, departments, and offices) that are not legally separate are part of the County's primary government for financial reporting purposes.

Primary Government

The primary government includes:

- Governmental and regulatory offices, agencies and departments of the County.
- Enterprises of the County, which include a landfill.
- The County's self-insurance fund.

The County is a municipal corporation governed by five elected commissioners. The County provides the following services as authorized by statute: public safety, road and bridge maintenance and operation, health and social services, culture-recreation, public improvements, planning and zoning, and general and administrative services. As required by generally accepted accounting principles, these financial statements present the County and its component units.

Component Units

Component units are legally separate organizations for which the County is financially accountable and/or for which the nature and significance of their relationship with the County is such that exclusion would cause the financial statements to be misleading or incomplete.

The County is considered financially accountable for an organization when either:

1. The County appoints a voting majority of the organization's governing body and can impose its will on that organization; or
2. There is a potential for the organization to provide specific financial benefits to, or impose specific financial burdens on, the County.

Blended Component Units

Despite being legally separate, component units that are so intertwined with the primary government that they are, in substance, the same as the primary government are reported as part of the primary government. The criteria used for this determination are:

1. The component unit's governing body is substantively the same as the governing body of the primary government; or

PARK COUNTY, WYOMING
NOTES TO THE FINANCIAL STATEMENTS
Year Ended June 30, 2015

NOTE 1 – NATURE OF BUSINESS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(CONTINUED)

2. The component unit provides services entirely, or almost entirely, to the primary government or otherwise exclusively, or almost exclusively, benefits the primary government by providing services that the primary government would have provided if they were not provided by the component unit.

The County does not have any component units meeting either of these criteria.

Discrete Component Units

Component units not meeting the criteria for blending with the primary government are discretely presented in the financial statements. Discrete presentation entails reporting component unit financial data in a column separate from the financial data of the County's primary government. The County has five component units that are discretely presented in the financial statements (see below). All component units have a June 30 year-end, except for the Weed Management Association and PCWDCD Building Corporation, which have a year-end of December 31, and are combined with the Weed and Pest Control District (see below). The PCWDCD Building Corporation is presented utilizing the fiscal year of June 30, 2015 due to the level of activity between December 31, 2014 and June 30, 2015; however, the Weed Management Association is presented utilizing its individual year-end of December 31, 2014, as management does not believe it is misleading to the financial statements. The County's Board of Commissioners appoints all of the board members to the component units listed below.

- Weed and Pest Control District - The Weed and Pest Control District (District) was established for the purpose of implementing and pursuing an effective program for the control of weeds and pests within the County. The District is fiscally dependent upon the County because the Board of Commissioners has the ability to levy taxes (if necessary) on behalf of the District. The District does not issue separate financial statements. This District consists of three legally separate entities (Weed and Pest Control District, Weed Management Association, and PCWDCD Building Corporation) which are combined to give a full financial statement picture regarding the financial position and activity.
- County Fair Board - The County Fair Board maintains and manages operations for the County Fair and conducts agricultural, industrial and other fairs and exhibitions within the County. The Fair Board is fiscally dependent upon the County due to the Board of Commissioners approving the Fair Board's budget, levying taxes (if necessary) and approving any debt issuances. The Fair Board's taxes are levied under the taxing authority of the County and are included as part of the County's total tax levy. The Fair Board does not issue separate financial statements.
- County Library Board - The County Library Board maintains and manages the operations of the County Library and library system. The Library Board is fiscally dependent upon the County because the Board of Commissioners approves the Library Board's budget; levies taxes (if necessary) and approves any debt issuances. The Library Board's taxes are levied under the taxing authority of the County and are included as part of the County's total tax levy. The Library Board does not issue separate financial statements.

PARK COUNTY, WYOMING
NOTES TO THE FINANCIAL STATEMENTS
Year Ended June 30, 2015

NOTE 1 – NATURE OF BUSINESS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(CONTINUED)

- County Museum Board - The County Museum Board maintains and manages the operations of the County Museum and museum system. The Museum Board is fiscally dependent upon the County because the Board of Commissioners approves the Museum Board's budget, levies taxes (if necessary), and approves any debt issuances. The Museum Board's taxes are levied under the taxing authority of the County and are included as part of the County's total tax levy. The Museum Board does not issue separate financial statements.
- County Parks and Recreation - The County Parks and Recreation maintains and manages the operations of the County Parks and Recreation system. The Parks and Recreation is fiscally dependent upon the County because the Board of Commissioners approves the Parks and Recreation's budget, levies taxes (if necessary) and must approve any debt issuances. The Parks and Recreation's taxes are levied under the taxing authority of the County and are included as part of the County's total tax levy. The Parks and Recreation does not issue separate financial statements.

The Park County Library Foundation, Inc. (the Foundation) is primarily established and funded by statutory requirements and is not included in the financial statements of Park County. In addition, funds which pass-through the Park County Library Board to the Foundation are not presented due to statutory requirements of this action and lack of legal ownership and availability of use by the County and/or the Library Board.

Basis of Presentation of the Basic Financial Statements

The basic financial statements of the County include the Government-wide and the fund financial statements. The focus is on the County as a whole in the Government-wide financial statements, while reporting additional and detailed information about the County's major governmental and business-type activities in the fund financial statements.

Government-Wide Financial Statements

The Government-wide statement of net position and statement of activities display information about the County's primary government and its component units. These statements include the financial activities of the overall County, except for fiduciary activities. Eliminations have been made to minimize the double counting of internal activities.

Government activities are financed primarily through taxes, intergovernmental revenues, and other non-exchange revenues. Business-type activities are financed primarily by revenues earned in transactions with external parties.

The Government-wide statement of activities reflects the cost of programs and functions (public safety, health and social services, etc.) reduced by directly associated revenues (program income, and operating and capital grants) to arrive at the net revenue or expense for each program and function. Net program revenue or expense for governmental and business activities are then adjusted for general revenues to determine the change in net position for the year. Indirect expenses such as support services and administration incurred in the general government and other functions/activities are not allocated to programs functions that they may benefit. When both restricted and unrestricted resources are available for use, it is the County's policy to use restricted resources first, then unrestricted resources as they are needed.

PARK COUNTY, WYOMING
NOTES TO THE FINANCIAL STATEMENTS
Year Ended June 30, 2015

NOTE 1 – NATURE OF BUSINESS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(CONTINUED)

Fund Financial Statements

The fund financial statements provide information about the County's funds, including fiduciary funds. Separate statements for each fund category - governmental, proprietary, and fiduciary are presented. The emphasis of fund financial statements is on major governmental and enterprise funds, each displayed in a separate column. All remaining governmental and enterprise funds are aggregated and reported as non-major funds.

The County reports the following major governmental funds:

General Fund - The general fund is the County's primary operating fund. It accounts for all governmental financial resources, except those required to be accounted for in another fund.

County Road Construction Fund - Accounts for financial resources to be used for the acquisition or construction of major capital infrastructure other than those financed by proprietary and trust funds.

Library Construction Fund - Accounts for financial resources, which were used for the acquisition or construction of the new library facility. These funds have met statutory release time frames; however, the remaining balance in the fund is assigned for specific purposes at the library complex.

The County reports the following major enterprise fund:

Landfill Fund - The Landfill Fund enterprise accounts for activities of the landfill of the County.

Additionally, the County reports the following fund types:

Internal Service Fund - The internal service fund accounts for the financing of goods and services provided by one department to other departments or agencies of the County or to other governments, on a cost-reimbursement basis. This fund is typically utilized for health care services.

Agency Fund - This fund includes funds due to the County's taxing agencies.

The Government-wide, proprietary and fiduciary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Under this method revenue is recorded when earned and expenses are recorded when liabilities are incurred, regardless of when the related cash flow takes place. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as soon as all eligibility requirements imposed by the provider have been met.

Proprietary fund operating revenue results from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenue of the County's enterprise fund, the landfill fund, and the internal service fund are charges to customers for sales and services. Operating expenses of enterprise funds and internal service funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenue and expenses not meeting these definitions are reported as non-operating revenue and expenses.

PARK COUNTY, WYOMING
NOTES TO THE FINANCIAL STATEMENTS
Year Ended June 30, 2015

NOTE 1 – NATURE OF BUSINESS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(CONTINUED)

Governmental funds are reported using the flow of current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenue is recognized when measurable and available. The County considers all revenue reported in the governmental funds to be available if the revenue is collected within sixty days after year-end. Expenditures (including capital outlay) are recorded when the related fund liability is incurred, except for general long-term principal and interest, claims and judgments, and accrued compensated absences, which are recorded as expenditures only to the extent they have matured. Proceeds from long-term debt and acquisitions under capital leases are reported as other financing sources.

Cash and Cash Equivalents

For statement of cash flows purposes, cash and cash equivalents include all demand and savings accounts and certificates of deposits or short-term investments with an original maturity of three months or less. Investments in open-ended mutual fund-money market accounts are also considered cash equivalents and reported at the funds current share price.

Inventories

The County has chosen to record consumable materials and supplies as an asset when purchased and as an expenditure when consumed, both in the government-wide and the fund financial statements, as the amount, consisting mainly of road materials and supplies, is significant. Such inventory is valued at cost using the first-in/first-out method.

Accounts and Loans Receivable

Material receivables in governmental funds and governmental activities include revenue accruals such as property tax, grants and other similar intergovernmental revenues since they are usually both measurable and available. Non-exchange transactions collectible but not available are reflected as deferred inflows of resources. Interest and investment earnings are recorded when earned only if paid within 60 days since they would be considered both measurable and available at the fund level. In addition, the County holds Wyoming Community Development Authority (WCDA) installment and loans receivable that it collects payments on.

Material receivables in proprietary funds and business-type activities consist of all revenues earned at year-end and not yet received.

Allowances for uncollectible accounts receivable are based upon historical trends and the periodic aging of accounts receivable. There were no allowances deemed necessary at June 30, 2015.

Prepaid Items

Certain prepaid expenses may exist from year to year depending on the timing of payment for various contracts and services. Therefore, when payment is made for services and/or contracts overlapping fiscal years, a prepaid asset is created. The most common type of expenditure meeting this stipulation is the payment for insurance, technology services or maintenance contracts.

**PARK COUNTY, WYOMING
NOTES TO THE FINANCIAL STATEMENTS
Year Ended June 30, 2015**

**NOTE 1 – NATURE OF BUSINESS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(CONTINUED)**

Interfund Receivables/Payables

During the course of operations, activity occurs between individual funds for goods provided or services rendered. These receivables and payables are classified as interfund receivables/payables in the fund financial statements, and are eliminated in the government-wide Statement of Net Position, except those between the governmental-type activities and business-type activities. Activity that constitute reimbursements to a fund for expenditures initially made from it that are properly applicable to another fund, are recorded as expenditures in the reimbursing fund and as a reduction of expenditures in the fund that is reimbursed. All other interfund activity is reported as operating transfers.

Capital Assets and Depreciation

Capital assets are recorded at historical cost. Contributed assets, including those from the federal government, are recorded at estimated fair value on the date received. Additions, improvements and other capital outlays that significantly extend the useful life of an asset are capitalized. Costs incurred for repairs and maintenance are expensed as incurred. Interest costs, net of interest earned on any invested capital debt proceeds, are capitalized when incurred by proprietary funds.

Assets transferred from use by governmental activities to proprietary funds are recorded at fair value at the date of transfer.

Capitalization thresholds (the dollar values above which asset acquisitions are added to the capital asset accounts) and estimated useful lives of capital assets are as follows:

<u>Asset Category</u>	<u>Capitalization Threshold</u>	<u>Years</u>
Buildings	\$ 5,000	50
Building improvements	5,000	20
Public domain infrastructure	5,000	50
System infrastructure	5,000	30
Intangibles	5,000	Varies
Vehicles	5,000	5
Office and computer equipment	5,000	5

Depreciation is provided using the straight-line method over estimated useful lives.

Accounts Payable

Accounts payable in the governmental and proprietary activities includes the payables recorded by the County at June 30, 2015 related to normal monthly expenditures and capital expenditures for all funds, as is the case with the component units.

Accrued Wages and Related Charges

Accrued expenses consist of wages earned by employees through June 30, 2015, which had not yet been paid and related payroll liabilities, such as FICA, retirement and health insurance.

Compensated Absences

The County's policy for vacation and other employee benefits is that any such amounts unused at the end of the fiscal year are accrued. Sick pay may be accumulated up to 90 days but is not paid upon termination. All vacation pay and compensatory time is accrued when incurred in the government-wide and proprietary financial statements.

PARK COUNTY, WYOMING
NOTES TO THE FINANCIAL STATEMENTS
Year Ended June 30, 2015

NOTE 1 – NATURE OF BUSINESS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(CONTINUED)

Vacation is earned and accrued at varying rates based upon longevity. A liability for these amounts is reported in the governmental funds only if they have matured, for example, as a result of employee resignations and retirements.

The estimated liabilities for vested benefits do not include salary-related payments such as matching employment taxes and retirement.

Deferred Inflows of Resources and Unearned Revenue

The County reports deferred inflows of resources when potential revenue does not meet both the measurable and available criteria for recognition in the current period. Deferred inflows of resources also arise when the County receives resources before it has legal claim to them, such as when grant funds are received and eligibility requirements have not been met. In subsequent periods, when both revenue recognition criteria are met, or when the government has a legal claim to the resources, the deferred inflow of resources is removed and revenue is recognized.

The County reports unearned revenue when the County receives the revenue prior to it being earned. In this case, the unearned revenue will be shown at both the fund level and the government-wide level.

The aggregate discretely presented component units reports a deferred inflows of resources for a change in proportionate share of net pension liability. See Note 10 for additional information.

Deferred Outflows of Resources

The County governmental activities, business-type activities, and aggregate discretely presented component units report a separate section for deferred outflows of resources. This separate financial statement element reflects an increase in net position that applies to a future period. The County has three types of items classified as deferred outflows of resources related to the implementation of GASB No. 68 and No. 71: 1) contributions subsequent to measurement date; 2) change in investment earnings; and 3) change in proportionate share of the net pension liability. See Note 10 for additional information.

Long-Term Obligations

Accounting treatment of long-term debt varies depending upon the source of repayment and the measurement focus applied, and whether the debt is reported in the government-wide or fund financial statements.

All long-term debt to be repaid from governmental activities, business-type activities, proprietary fund and component unit resources are reported as liabilities as incurred. The long-term debt consists primarily of accrued compensated absences, liability for claims, and notes payable. This long-term debt is reported net of unamortized premiums, and discounts, if applicable.

Long-term debt of governmental funds is not reported as liabilities in the fund financial statements. The debt proceeds are reported as other financing sources and payment of principal and interest reported as expenditures.

PARK COUNTY, WYOMING
NOTES TO THE FINANCIAL STATEMENTS
Year Ended June 30, 2015

NOTE 1 – NATURE OF BUSINESS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(CONTINUED)

Net Position and Fund Classifications

Government-Wide and Proprietary Fund Financial Statements

In the government-wide and proprietary fund financial statements equity is classified as net position and displayed in three components:

Net investment in capital assets - this consists of capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.

Restricted net position - this category includes net position with constraints placed on their use either by an external party or through constitutional provision or enabling legislation.

Unrestricted net position - this includes all other net assets that do not meet the definition of the other two categories.

Governmental Fund Financial Statements

The governmental fund financial statements have been presented in accordance with the reporting model required by GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*. The intention of the Statement is to provide a more structured classification of fund balance and to improve the usefulness of fund balance reporting to the users of the financial statements. The reporting standard establishes a hierarchy for fund balance classifications and the constraints imposed on the uses of those resources.

GASB Statement No. 54 provides for two major types of fund balances, nonspendable and spendable. Nonspendable fund balances are balances that cannot be spent because they are not expected to be converted to cash, such as inventories, prepaid amounts, and long-term notes receivable or they are legally, or contractually, required to remain intact.

In addition to the nonspendable fund balance, GASB Statement No. 54 has provided a hierarchy of spendable fund balances, based on spending constraints.

Restricted - fund balances that are restricted for specific purposes stipulated by external parties, constitutional provisions, or enabling legislation. Restrictions may effectively be changed or lifted only with the consent of resource providers.

Committed - fund balances that can only be used for the specific purposes determined by a formal action of the County's highest level of decision-making authority, the Board of County Commissioners. Commitments may be changed or lifted only by the County taking the same formal action that imposed the constraint originally (for example a resolution or ordinance).

Assigned - fund balances that are intended to be used by the County for specific purposes that are neither restricted nor committed. Assigned amounts also include all residual amounts in governmental funds (except negative amounts) that are not classified as nonspendable, restricted or committed. Specific amounts that are not restricted or committed in a special revenue, capital projects, debt service, or permanent fund, are assigned for purposes in accordance with the nature of their fund type. Assignment within the General Fund conveys that the intended use of those amounts is for a specific purpose that is narrower than the general purposes of the County itself.

PARK COUNTY, WYOMING
NOTES TO THE FINANCIAL STATEMENTS
Year Ended June 30, 2015

NOTE 1 – NATURE OF BUSINESS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(CONTINUED)

Unassigned - fund balances of the General Fund that are not constrained for any particular purposes. It is also the residual classification for all negative fund balances.

In circumstances when an expenditure is made for a purpose for which amounts are available in multiple fund balance classifications, fund balance is depleted in the order of restricted, committed, assigned, and unassigned.

Property Tax

The County levies taxes on assessed property within the County. The taxes are levied on the assessed valuation of the prior year according to the tax calendar below. Assessed valuation and tax levies are subject to adjustment for prior years (rebates and supplemental) as controlled by the County or State. The County bills and collects its own property taxes and taxes for all municipalities and political subdivisions within the County. Collections and remittances of these taxes for their taxing districts are accounted for in the respective agency fund of the County.

Property Tax Calendar

August 10	Taxes are levied and become an enforceable lien on the properties
September 1	First of two equal installment payments is due
November 10	First installment is delinquent
March 1	Second installment is due
May 10	Second installment is delinquent

According to GASB Statement No. 33 (non-exchange revenues), a receivable can be recorded at the earliest of the date of the assessment or the date a lien is placed on the property. Neither of these items occurred prior to June 30 for the upcoming 2015 levy, therefore, the levy of August 2014 included in the current fiscal year is the basis for the receivable.

The County is permitted by Wyoming Statutes to levy taxes up to 12 mills of assessed valuation for all purposes, exclusive of state revenue, except for the payment of public debt and interest thereon. The combined tax rate to finance general governmental services other than the payment of principal and interest on long-term debt for the year ended June 30, 2015 was 12 mills, which means that the County has levied to the maximum amount available.

Deficit Fund Balances and Net Position

Wyoming Statutes prohibit the creation of a deficit fund balance in any individual fund of the County. For the year ended June 30, 2015, the County reported a net position deficit in the Library Board of \$212,925, which was caused primarily due to the implementation of GASB Statement No. 68.

Debt Restrictions and Covenants

As required by State Statutes, the County may not incur any indebtedness that would require payment from resources beyond the current fiscal year revenue, without first obtaining voter approval. For the year ended June 30, 2015, the County incurred no such debt or obligations.

PARK COUNTY, WYOMING
NOTES TO THE FINANCIAL STATEMENTS
Year Ended June 30, 2015

NOTE 1 – NATURE OF BUSINESS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(CONTINUED)

Budgetary Data

The County prepares its annual operating budget under the provisions of Wyoming State Statutes for all funds. While the County is reporting financial position, results of operations and changes in fund balance on the basis of generally accepted accounting principles (GAAP), budgetary basis is based upon accounting for certain transactions on a basis of cash receipts and disbursements. The Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual - presented for the general fund is presented on the budgetary basis to provide a meaningful comparison of actual results with the budget. The major differences between the budget basis and GAAP basis are as follows:

- Revenues are recorded when received in cash as opposed to when susceptible to accrual.
- Expenditures are recorded when paid in cash as opposed to when the fund liability is incurred.

Following is the budget calendar:

- Prior to May 15, the County Clerk submits to the Board of County Commissioners a proposed operating budget for the fiscal year commencing the following July 1. The operating budget includes proposed expenditures and the means of financing them.
- A public hearing is conducted on the third Monday of July to obtain public comments.
- The budget is adopted on the third Tuesday of July.

At the request of the County Clerk or upon its own motion after the publication of notice, the Board of County Commissioners may by resolution transfer any unencumbered or unexpended appropriation balance or part thereof from one fund, department, or account, to another. Expenditures cannot exceed appropriations at the department level and any unexpended or unencumbered appropriations lapse at year-end.

Formal legally adopted budgets are prepared as a management control device for the General Fund, and Landfill Funds.

In the budgetary schedule included in required supplementary information, the budgetary basis of accounting (cash) is reconciled to the GAAP basis of accounting.

Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

PARK COUNTY, WYOMING
NOTES TO THE FINANCIAL STATEMENTS
Year Ended June 30, 2015

NOTE 1 – NATURE OF BUSINESS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(CONTINUED)

New Accounting Pronouncements

The GASB issued Statement No. 68 Accounting and Financial Reporting for Pensions (Statement No. 68), which revises and establishes new financial reporting requirements for most governments that provide their employees with the pension benefits. The County provides its employee with pension benefits through a multiple employer cost-sharing defined benefit retirement program administered by the Wyoming Retirement System (System). Statement No. 68 requires cost-sharing employers participating in the System's program, such as the County, to record their proportionate share, as defined in Statement No. 68, of the System's unfunded pension liability. The County has no legal obligation to fund this shortfall nor does it have the ability to affect funding, benefits, or annual required contributions decision made by System or the General Assembly.

For the County, the effect of implementing this standard was to change how it accounts and reports the net pension liability. As described above, this statement required that the County record its proportionate share of the System's unfunded pension liability. See Notes 10 and 14 to the financial statements for the effect of implementation related to County for the year ended June 30, 2015.

NOTE 2 – DEPOSITS AND INVESTMENTS

In accordance with State law, all uninsured deposits of municipal funds in financial institutions must be secured with acceptable collateral valued at the lower of market or par. Acceptable collateral includes certain U.S. government or government agency securities, certain State of Wyoming or political subdivision debt obligations or surety bonds.

Investments of the County are limited by State Law to the following:

- Direct obligations of the U.S. Government, its agencies and instrumentalities to which the full faith and credit of the U.S. Government is pledged, or obligations to the payment of which the full faith and credit of the State of Wyoming is pledged.
- Certificates of deposit or savings accounts that are either insured or secured with acceptable collateral with in-state financial institutions, and fully insured certificates of deposit or savings accounts in out-of-state financial institutions.
- With certain limitation, negotiable certificates of deposit, prime bankers acceptances, prime commercial paper and repurchase agreements with certain limitations.
- County, municipal or school district tax supported debt obligations, bond or revenue anticipation notes, money judgments, or bonds or revenue anticipation notes of public trusts whose beneficiary is a county, municipality, or school district.
- Notes or bonds secured by mortgage or trust deed insured by the Federal Housing Administrator and debentures issued by the Federal Housing Administrator, and in obligations of the National Mortgage Association.
- Money market funds regulated by the SEC and in which investments consist of the investments mentioned in the above bulleted items.

PARK COUNTY, WYOMING
NOTES TO THE FINANCIAL STATEMENTS
Year Ended June 30, 2015

NOTE 2 – DEPOSITS AND INVESTMENTS (CONTINUED)

The County maintains all deposits with two local financial institutions and maintained federal depository insurance coverage and, the County has collateralized 100% of such funds during the fiscal year. All deposits held at June 30, 2015 are considered cash and cash equivalents due to the availability of such funds. The County follows state statutes regarding its investment policy.

Cash and Investments

At June 30, 2015, cash and investments consisted of the following:

Governmental and business-type activities

Demand deposits	\$ 24,763,870
Restricted demand deposits	2,126,444
Cash on hand	22,640
Total governmental and business-type activities	<u>26,912,954</u>

Fiduciary activities

Demand deposits	<u>4,972,585</u>
Total Fiduciary activities	<u>4,972,585</u>

Total cash and investments	<u><u>\$ 31,885,539</u></u>
----------------------------	-----------------------------

Component Units

Demand deposits	\$ 1,046,612
Restricted demand deposits	14,024
Restricted cash held with the state	179,680
Cash on hand	680
Total cash and cash investments	<u><u>\$ 1,240,996</u></u>

Custodial credit risk - deposits: Custodial credit risk is the risk that in the event of a bank failure, the County's deposits may not be returned to it. The County is required by statute to maintain collateral covering deposits. At June 30, 2015, the carrying amount of deposits was \$26,890,314. At June 30, 2015, the carrying amount of deposits for the fiduciary activities was \$4,972,585. The County maintains its cash accounts and deposit at various financial institutions. Bank deposits are subject to Federal Deposit Insurance Corporation (FDIC) insurance. The County believes it is not exposed to any significant credit risk on these balances.

At June 30, 2015, the carrying amount of deposits for component units was \$1,060,636. The component units maintain their cash accounts, cash held with the State, and deposit at various financial institutions. Bank deposits are subject to Federal Deposit Insurance Corporation (FDIC) insurance. The component units believe they are not exposed to any significant credit risk on these balances.

Restricted Cash

The County had restricted cash of \$2,320,148 as of June 30, 2015. These amounts are related to tax funds received that have not yet been spent by the County but have restrictions from external parties as to their use.

PARK COUNTY, WYOMING
NOTES TO THE FINANCIAL STATEMENTS
Year Ended June 30, 2015

NOTE 2 – DEPOSITS AND INVESTMENTS (CONTINUED)

Restricted cash consists of deposits for specific purposes as follows:

Restricted cash consists of deposits for specific purposes as follows:

County Road Construction Fund	
Gas tax revenues	\$ 2,126,444
Total governmental funds restricted cash	<u>\$ 2,126,444</u>
Component Units	
State library funds	\$ 193,704
Total component units restricted cash	<u>\$ 193,704</u>

NOTE 3 – INTERFUND ACTIVITY

Amounts due from and due to other funds as of June 30, 2015 are as follows:

	Due from	Due to
General Fund	\$ 136,635	\$ -
Landfill	-	90,413
County Road Construction	-	300
E911	-	45,922
	<u>\$ 136,635</u>	<u>\$ 136,635</u>

Interfund balances represent non-interest bearing amounts owed to or from programs for administrative services rendered and for payments made on behalf of such entities. Amounts are generally due upon demand.

Interfund transfers are summarized as follows:

Transfers From	Transfer To	Purpose	Total
Internal service fund	General Fund	Operating transfers	\$ 24,333
			<u>\$ 24,333</u>

PARK COUNTY, WYOMING
NOTES TO THE FINANCIAL STATEMENTS
Year Ended June 30, 2015

NOTE 4 – CAPITAL ASSETS

Capital assets activity for the year ended June 30, 2015, is summarized as follows:

	Restated Balances July 1, 2014	Additions	Transfers	Deletions	Balances June 30, 2015
Governmental activities					
Capital assets not being depreciated					
CIP	\$ -	\$ 2,811,036	\$ -	\$ -	\$ 2,811,036
Land	1,963,893	-	-	-	1,963,893
Total capital assets not being depreciated	1,963,893	2,811,036	-	-	4,774,929
Capital assets being depreciated					
Buildings and improvements	* 37,091,780	19,454	-	-	37,111,234
Equipment	* 12,058,010	657,770	-	(1,041,383)	11,674,397
Infrastructure	183,593,029	2,705,302	-	-	186,298,331
Intangibles	405,027	-	-	-	405,027
Total capital assets being depreciated	233,147,846	3,382,526	-	(1,041,383)	235,488,989
Less accumulated depreciation for:					
Buildings and improvements	* (15,818,945)	(1,174,747)	-	-	(16,993,692)
Equipment*	* (9,432,320)	(864,761)	-	952,001	(9,345,080)
Infrastructure	(155,635,711)	(3,074,493)	-	-	(158,710,204)
Intangibles	(335,548)	(8,728)	-	-	(344,276)
Total accumulated depreciation	(181,222,524)	(5,122,729)	-	952,001	(185,393,252)
Total capital assets, being depreciated, net	51,925,322	(1,740,203)	-	(89,382)	50,095,737
Governmental activities capital assets, net	\$ 53,889,215	\$ 1,070,833	\$ -	\$ (89,382)	\$ 54,870,666

*It was discovered in 2015, there were capital assets that needed to be added as a result of an inventory taken by the County, see Note 14 for further details.

PARK COUNTY, WYOMING
NOTES TO THE FINANCIAL STATEMENTS
Year Ended June 30, 2015

NOTE 4 – CAPITAL ASSETS (CONTINUED)

	Restated Balances July 1, 2014	Additions	Transfers	Deletions	Balances June 30, 2015
Business-Type activities					
Capital assets not being depreciated					
Land	* \$ 115,642	\$ -	\$ (24,214)	\$ -	\$ 91,428
Total capital assets not being depreciated	* 115,642	-	(24,214)	-	91,428
Capital assets being depreciated					
Land improvements	2,861,873	-	24,214	-	2,886,087
Buildings and improvements	* 1,320,934	-	-	-	1,320,934
Equipment	* 1,934,003	-	-	(268,878)	1,665,125
Total capital assets being depreciated	6,116,810	-	24,214	(268,878)	5,872,146
Less accumulated depreciation for:					
Land improvements	(833,792)	(233,349)	-	-	(1,067,141)
Buildings and improvements	* (186,302)	(49,831)	-	-	(236,133)
Equipment	* (1,322,726)	(169,112)	-	152,364	(1,339,474)
Total accumulated depreciation	(2,342,820)	(452,292)	-	152,364	(2,642,748)
Total capital assets, being depreciated, net	3,773,989	(452,292)	24,214	(116,514)	3,229,398
Business Type activities capital assets, net	\$ 3,889,632	\$ (452,292)	\$ -	\$ (116,514)	\$ 3,320,826

Depreciation expense was charged to functions in the statement of activities as follows:

Depreciation expense charged to governmental activities:

General government	\$ 1,800,113
Public safety	1,055,763
Public works	2,266,853

Total governmental activities depreciation expense \$ 5,122,729

Depreciation expense charged to business-type activities - Landfill \$ 452,292

*It was discovered in 2015, there were capital assets that needed to be added as a result of an inventory taken by the County, see Note 14 for further details.

The Weed and Pest Control District organized the PCWPD Building Corporation (a nonprofit entity) during 2009, which is included in the activity of the Weed and Pest Control District for the reasons stated in Note 1. It was initially intended for the PCWPD Building Corporation to obtain funding and/or financing and then receive lease payments from the Weed and Pest Control District for its use of the building. In turn, after the financing was repaid, the building would then be transferred to the Weed and Pest Control District.

PARK COUNTY, WYOMING
NOTES TO THE FINANCIAL STATEMENTS
Year Ended June 30, 2015

NOTE 4 – CAPITAL ASSETS (CONTINUED)

<i>Discretely presented component units</i>	Balances July 1, 2014	Additions	Deletions	Balances June 30, 2015
Park County Weed and Pest Control District				
Capital assets not being depreciated				
Land	\$ 89,100	\$ -	\$ -	\$ 89,100
Total capital assets not being depreciated	<u>89,100</u>	<u>-</u>	<u>-</u>	<u>89,100</u>
Capital assets being depreciated				
Buildings and improvements	1,052,527	-	-	1,052,527
Equipment	420,339	-	-	420,339
Total capital assets being depreciated	<u>1,472,866</u>	<u>-</u>	<u>-</u>	<u>1,472,866</u>
Less accumulated depreciation for:				
Buildings and improvements	(91,087)	(34,757)	-	(125,844)
Equipment	(247,623)	(53,216)	-	(300,839)
Total accumulated depreciation	<u>(338,710)</u>	<u>(87,973)</u>	<u>-</u>	<u>(426,683)</u>
Total capital assets, being depreciated, net	<u>1,134,156</u>	<u>(87,973)</u>	<u>-</u>	<u>1,046,183</u>
Component unit capital assets, net	<u>\$ 1,223,256</u>	<u>\$ (87,973)</u>	<u>\$ -</u>	<u>\$ 1,135,283</u>
	Balances July 1, 2014	Additions	Deletions	Balances June 30, 2015
Park County Museum Board				
Capital assets not being depreciated				
Collections	\$ 1,179,187	\$ -	\$ -	\$ 1,179,187
Total capital assets not being depreciated	<u>1,179,187</u>	<u>-</u>	<u>-</u>	<u>1,179,187</u>
Capital assets being depreciated				
Equipment	17,663	-	-	17,663
Total capital assets being depreciated	<u>17,663</u>	<u>-</u>	<u>-</u>	<u>17,663</u>
Less accumulated depreciation for:				
Equipment	(13,625)	(1,876)	-	(15,501)
Total accumulated depreciation	<u>(13,625)</u>	<u>(1,876)</u>	<u>-</u>	<u>(15,501)</u>
Total capital assets, being depreciated, net	<u>4,038</u>	<u>(1,876)</u>	<u>-</u>	<u>2,162</u>
Component unit capital assets, net	<u>\$ 1,183,225</u>	<u>\$ (1,876)</u>	<u>\$ -</u>	<u>\$ 1,181,349</u>

PARK COUNTY, WYOMING
NOTES TO THE FINANCIAL STATEMENTS
Year Ended June 30, 2015

NOTE 4 – CAPITAL ASSETS (CONTINUED)

	<u>Balances</u> <u>July 1, 2014</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balances</u> <u>June 30, 2015</u>
Park County Fair Board				
Capital assets being depreciated				
Buildings and improvements	\$ 1,100,227	\$ -	\$ -	\$ 1,100,227
Machinery and equipment	259,542	-	-	259,542
Vehicles	26,392	-	-	26,392
Total capital assets being depreciated	<u>1,386,161</u>	<u>-</u>	<u>-</u>	<u>1,386,161</u>
Less accumulated depreciation for:				
Buildings and improvements	(890,419)	(10,425)	-	(900,844)
Machinery and equipment	(249,629)	(1,453)	-	(251,082)
Vehicles	(26,392)	-	-	(26,392)
Total accumulated depreciation	<u>(1,166,440)</u>	<u>(11,878)</u>	<u>-</u>	<u>(1,178,318)</u>
Total capital assets, being depreciated, net	<u>219,721</u>	<u>(11,878)</u>	<u>-</u>	<u>207,843</u>
Component unit capital assets, net	<u>\$ 219,721</u>	<u>\$ (11,878)</u>	<u>\$ -</u>	<u>\$ 207,843</u>
	<u>Balances</u> <u>July 1, 2014</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balances</u> <u>June 30, 2015</u>
Park County Library Board				
Capital assets not being depreciated				
Art Work	\$ 8,000	\$ -	\$ -	\$ 8,000
Total capital assets not being depreciated	<u>8,000</u>	<u>-</u>	<u>-</u>	<u>8,000</u>
Capital assets being depreciated				
Books and related collections	488,068	-	-	488,068
Machinery and equipment	320,291	-	25,281	295,010
Total capital assets being depreciated	<u>808,359</u>	<u>-</u>	<u>25,281</u>	<u>783,078</u>
Less accumulated depreciation for:				
Books and related collections	(439,261)	-	-	(439,261)
Machinery and equipment	(216,266)	(22,899)	(11,500)	(227,665)
Total accumulated depreciation	<u>(655,527)</u>	<u>(22,899)</u>	<u>(11,500)</u>	<u>(666,926)</u>
Total capital assets, being depreciated, net	<u>152,832</u>	<u>(22,899)</u>	<u>(13,781)</u>	<u>116,152</u>
Component unit capital assets, net	<u>\$ 160,832</u>	<u>\$ (22,899)</u>	<u>\$ (13,781)</u>	<u>\$ 124,152</u>

NOTE 5 – VACATION AND SICK LEAVE

The County has a vacation and sick leave policy for eligible employees. Employees become eligible for vacation upon hire. Vacation hours accrue at 4 hours per month for the first year, increase to 8 hours per month after a year of employment and increase to 10 hours per month after five years of employment. The hours increase again after ten years of employment to 13.34 hours per month and cannot exceed more than 1.5X an employee's annual vacation accrual.

PARK COUNTY, WYOMING
NOTES TO THE FINANCIAL STATEMENTS
Year Ended June 30, 2015

NOTE 5 – VACATION AND SICK LEAVE (CONTINUED)

Employee vacation hours can be carried forward indefinitely to subsequent years and the employee is entitled to be paid for the accrued vacation hours and comp time upon termination of employment. Employees become eligible for sick leave upon hire. Sick leave is accrued at 8 hours per month and employees are not paid for the unused sick leave hours upon termination.

At June 30, 2015, the County's accrued unpaid vacation liability is reflected on the government-wide and enterprise fund financial statements as a long-term liability.

Accrued sick leave benefits are not recognized as liabilities of the County. The County's policy is to record sick leave as an operating expense in the period taken.

Component Units

Park County Library Board - Accrued vacation is paid upon separation up to 280 hours. Sick leave is accrued but not paid. Management considers the material portion of the balance to be utilized in the next twelve months.

Park County Weed and Pest Control - Accrued vacation and comp time is paid upon separation. At June 30, 2015, the maximum vacation accrual for employees ranges from 96 hours to 288 hours, depending on years of service.

Park County Fair Board - The board follows the County's vacation and sick leave policies as noted above.

NOTE 6 – LONG-TERM LIABILITIES

Changes in long-term liabilities for the year ended June 30, 2015, were as follows:

	<u>Balance</u> <u>July 1, 2014</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance</u> <u>June 30, 2015</u>	<u>Amounts</u> <u>Due Within</u> <u>One Year</u>
Governmental					
Tax rebates	\$ 27,725	\$ 3,945	\$ 11,266	\$ 20,404	\$ 10,334
Compensated absences	330,752	292,514	294,140	329,126	82,282
Governmental long-term liabilities	<u>\$ 358,477</u>	<u>\$ 296,459</u>	<u>\$ 305,406</u>	<u>\$ 349,530</u>	<u>\$ 92,616</u>
Business-type					
Loans payable	\$ 956,309	\$ 1,242,273	\$ 40,558	\$ 2,158,024	\$ 37,540
Postclosure	6,436,786	219,764	2,666,202	3,990,348	-
Compensated absences	37,552	22,836	25,545	34,843	8,711
Business-type long-term liabilities	<u>\$ 7,430,647</u>	<u>\$ 1,484,873</u>	<u>\$ 2,732,305</u>	<u>\$ 6,183,215</u>	<u>\$ 46,251</u>
Total governmental and business-type activities	<u>\$ 7,789,124</u>	<u>\$ 1,781,332</u>	<u>\$ 3,037,711</u>	<u>\$ 6,532,745</u>	<u>\$ 138,867</u>

PARK COUNTY, WYOMING
NOTES TO THE FINANCIAL STATEMENTS
Year Ended June 30, 2015

NOTE 6 – LONG-TERM LIABILITIES (CONTINUED)

Tax Rebates

Tax abatement is due to the valuation change for various tax years, due in varying annual installments through November 2018. This debt is being serviced by the General Fund. The portion which is not the County's share is the responsibility of other taxing Districts and the effect is tracked through the allocation of their tax revenue. This activity transpires in the Fiduciary Fund since the net revenue (after allocation of the effect of the rebate) is due to other taxing Districts. Only the County's share is recorded as the ending balance in the current year. The County's share of actual payments to the entities receiving rebates was \$11,266. The total payments made to the entities receiving rebates were \$119,901.

Solid Waste Debt Forgiveness

On July 7, 2009, the Board of Park County Commissioners executed a promissory note to the State of Wyoming State Loan and Investment Board for the sum of \$1,724,631 to finance improvements at the County's landfill sites with a 20-year payback. The note was amended three times since inception. Upon completion of the project, an amount up to 50% of the loan balance was to be forgiven. The remaining balance has split interest rates with \$283,560 bearing a rate of 0% while the remaining available balance of \$384,764 bears an interest rate of 2.5%.

On April 11, 2012, the Board of Park County Commissioners executed a promissory note to the State of Wyoming State Loan and Investment Board for the sum of \$5,450,000 with an interest rate of 2.5% to finance the design and construction of landfill final covers systems for municipal solid waste landfill closures in the Towns of Meeteetse, Powell and Clark, Wyoming with a 20 year payback. Upon completion of the project, an amount up to 50% of the loan balance, not to exceed \$2,725,000, will be forgiven. As of June 30, 2015, the County has drawn down \$1,489,700 of the loan for construction costs.

Annual debt service requirements to maturity for notes payable are as follows:

Year Ended	Governmental Activities		
	Principal	Interest	Total
June 30,			
2016	\$ 10,334	\$ -	\$ 10,334
2017	8,326	-	8,326
2018	955	-	955
2019	789	-	789
	<u>\$ 20,404</u>	<u>\$ -</u>	<u>\$ 20,404</u>
Year Ended	Business-type Activities		
June 30,	Principal	Interest	Total
2016	\$ 37,540	\$ 9,908	\$ 47,448
2017	38,041	9,407	47,448
2018	38,554	8,894	47,448
2019	39,079	8,369	47,448
2020	39,619	7,929	47,548
2021-2025	206,663	30,575	237,238
2026-2030	222,311	14,927	237,238
2031	46,517	931	47,448
	<u>\$ 668,324</u>	<u>\$ 90,940</u>	<u>\$ 759,264</u>

PARK COUNTY, WYOMING
NOTES TO THE FINANCIAL STATEMENTS
Year Ended June 30, 2015

NOTE 6 – LONG-TERM LIABILITIES (CONTINUED)

Business-type activities principal balance due does not agree to the roll forward on page 35 due to Loan 124 being in the preliminary stages and the loan is not in the repayment stages as of June 30, 2015.

	<u>Balance</u> <u>July 1, 2014</u>	<u>Additions</u>	<u>Reductions/ Adjustments</u>	<u>Balance</u> <u>June 30, 2015</u>	<u>Amounts</u> <u>Due Within</u> <u>One Year</u>
Park County Library Board					
Compensated absences	\$ 47,783	\$ 54,696	\$ 47,935	\$ 54,544	\$ 54,544
Total Park County Library Board	<u>\$ 47,783</u>	<u>\$ 54,696</u>	<u>\$ 47,935</u>	<u>\$ 54,544</u>	<u>\$ 54,544</u>
Park County Weed and Pest Control District					
Compensated absences	\$ 20,040	\$ 22,424	\$ 17,015	\$ 25,449	\$ 17,015
Total Park County Weed and Pest Control District	<u>\$ 20,040</u>	<u>\$ 22,424</u>	<u>\$ 17,015</u>	<u>\$ 25,449</u>	<u>\$ 17,015</u>
Park County Fair Board					
Compensated absences	\$ 2,908	\$ -	\$ 2,908	\$ -	\$ -
Total Park County Fair Board	<u>\$ 2,908</u>	<u>\$ -</u>	<u>\$ 2,908</u>	<u>\$ -</u>	<u>\$ -</u>
Total discretely presented component units	<u>\$ 70,731</u>	<u>\$ 77,120</u>	<u>\$ 67,858</u>	<u>\$ 79,993</u>	<u>\$ 71,559</u>

NOTE 7 – LEASES

The County owns and maintains an office building whereby it leases office space to various lessees with various expiration dates. Revenue received in the current year under the terms of these leases was \$566,902. As of June 30, 2015, the future minimum lease revenues from these leases, which have lease terms in excess of one year are as follows:

<u>Year Ended June 30,</u>	<u>Lease Revenue</u>
2016	\$ 509,189
2017	226,392
2018	153,676
2019	54,933
2020	28,755
	<u>\$ 972,945</u>

PARK COUNTY, WYOMING
NOTES TO THE FINANCIAL STATEMENTS
Year Ended June 30, 2015

NOTE 8 – LANDFILL CLOSURE AND POST CLOSURE CARE LIABILITY

State and federal laws and regulations require the County to place a final cover on its landfill sites when it stops accepting waste and to perform certain maintenance and monitoring functions at the sites for thirty years after closure. Although closure and post closure care costs will be paid only near or after the date that the landfill stops accepting waste, the current operating costs of the landfill are accounted for within the Enterprise Fund (Landfill) of the County using the accrual basis of accounting. The \$3,990,348 reported as landfill closure and post closure care liability at June 30, 2015 represents the cumulative amount estimated to date based on the use of 100.00%, 3.60%, 100%, 100%, 0.00%, 100%, and 82.68% of the estimated capacity of the Clark MSW, Clark C&D, Meeteetse, Cody, Cody Expansion, Powell and Powell Expansion sites respectively. The County will recognize the remaining estimated costs of closure and post closure care of \$2,961,688 as the remaining estimated capacity is utilized. The calculation of the estimated liability has been based on what it would cost to perform all closure and post closure care in 2015. These estimated costs are based upon engineering estimates as of fiscal year 2015. These costs have decreased significantly due to the change in the estimated capacity and actual postclosure costs being incurred for several of the landfills.

The Meeteetse Landfill closed to the acceptance of all waste on June 30, 2010.

The Clark and Powell Landfills ceased accepting municipal solid waste (MSW) on September 18, 2012. Both of these facilities are now considered "dry" landfills' and still accept construction and demolition debris, clean wood and brush, tires, iron, steel, etc.

The percentage expressed for the Clark Landfill represents the space remaining in the current permitted area for both MSW and "dry" landfill areas. There is approximately 30 to 40 years of dry landfill space available that can be utilized at the Clark landfill after all MSW containing areas are closed.

The remaining percentage open at the Powell Landfill represents permitted dry landfill space designated in area (Area 4) within the current permit that has approximately 4 years of space remaining for dry landfill disposal. The current Powell Landfill Permit expires in June 2016. At that time, Park County will apply for a new Wyoming Department of Environmental Quality "Lifetime Permit" which will be good for 25 years. There is at least 30 years of dry landfill disposal area space within the current permit footprint that will be included in the lifetime permit.

The Cody (Park County Regional) Landfill ceased accepting MSW during the fiscal year 2015. At this point in time, MSW disposal will begin in the new lined cell and dry disposal will move into a designated area within the new permit area.

NOTE 9 – COMMITMENTS AND CONTINGENCIES

In the normal course of operations, the County participates in various federal or state grant/loan programs from year to year. The grant/loan programs are often subject to additional audits by agents of the granting or loan agency, the purpose of which is to ensure compliance with the specific conditions of the grant or loan. Any liability for reimbursement which may arise as a result of these audits cannot be reasonably determined at this time, although it is believed the amount, if any, would not be material.

The County has received approval for assistance in the form of loans and grants of \$5,450,000 from the Office of State Lands and Investments for closure costs related to the Clark, Meeteetse, and Powell landfills. The County expects to spend the money over the next one to two years.

PARK COUNTY, WYOMING
NOTES TO THE FINANCIAL STATEMENTS
Year Ended June 30, 2015

NOTE 10 – DEFINED BENEFIT PENSION PLAN – PUBLIC EMPLOYEES

Plan Description

All full-time and permanent part-time employees of the District participate in the State of Wyoming Retirement System (“the Plan”), a multi-employer, cost-sharing public employee retirement plan. The Plan is a defined benefit plan covering substantially all employees of the State, electing local municipalities, and the Public School System of Wyoming. The cost to administer the Plan is financed through the contributions and investment earnings of the Plan.

The Plan is governed by a Board of Trustees comprised of the State Treasurer, five trustees who are members of the Plan and five “at-large” trustees who are not members of the Plan. With the exception of the State Treasurer, Board members are appointed by the Governor and confirmed by the Wyoming Senate. The Board employs an executive director to oversee day-to-day operations which includes a staff of approximately 40 employees.

Pension Benefits

The Plan allows for normal retirement after four years of service and attainment of age 60. Retirees can select one of five options for receiving benefits. Early retirement is allowed, provided the employee has completed four years of service and attained age 50, but results in a reduction of benefits based on the length of time remaining to normal retirement age. Employees terminating prior to normal retirement can elect to withdraw all employee contributions plus accumulated earnings through the date of their termination.

The Plan offers two tiers of benefits. Tier 1 participants are those that have made contributions to the Plan prior to September 1, 2012. Tier 1 participants vest after 48 months of service, with eligibility for full retirement benefits upon attaining age 60 and meeting the “rule of 85,” which requires the participants age and years of service to equal or exceed 85. Tier 1 benefits are calculated with a 2.125% multiplier rate for the first 15 years of service with the remaining service years calculated with a 2.25% rate, using the highest average salary for 36 continuous months. Tier 2 participants are those whose participation in the Plan and contributions to the Plan began on or after September 1, 2012. Tier 2 participants vest after 48 months of service, with eligibility for full retirement benefits upon attaining age 65 and meeting the “rule of 85,” which requires the participants age and years of service to equal or exceed 85. Tier 2 benefits are calculated with a 2.00% multiplier rate for all years of service using the highest average salary for 60 continuous months.

Member and Employer Contributions

The Plan statutorily requires 15.87% of the participant’s salary to be contributed to the Plan. Effective September 1, 2014, the County is required to contribute a minimum of 7.62% of the employee’s salary. Legislation enacted in 1979 allows the employer to pay any or all of the employees’ contribution in addition to the matching contribution. The Boards currently pays 8.25% of the required employee’s contribution of 8.25% and the County pays 8.25% of the required employee’s contribution of 8.25%. For the Law Enforcement Plan the employees contribute 3.83% of employee contribution and the County contributes the rest. Total County contributions to the Plans for the years ended June 30, 2015, 2014 and 2013 were \$1,258,316, \$1,129,213 and \$1,050,300, respectively, equal to the required contributions for each year, plus the County share of the required employee contribution. The above contributions are inclusive of the law enforcement’s retirement portion, which includes the employee portion as described above.

PARK COUNTY, WYOMING
NOTES TO THE FINANCIAL STATEMENTS
Year Ended June 30, 2015

NOTE 10 – DEFINED BENEFIT PENSION PLAN – PUBLIC EMPLOYEES (CONTINUED)

Effective July 1, 2015, the required contribution was increased to 16.62% of each participating employee’s salary, with a minimum contribution of 8.37% by the employer. The employer may elect to pay from 8.37% to 16.62%, with the County and Boards paying the difference between the employer’s contribution and 16.62%.

Pension Liabilities, Pension Expense (Revenue), and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

The net pension liability was measured as of December 31, 2014, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of January 1, 2015. The County’s proportion of the net pension liability was based on the County’s share of contributions to the Plan relative to the total contributions of all participating Plan members, actuarially determined.

For the year ended June 30, 2015, the County recognized net pension liability as follows:

	Net Pension Liability
Pension Plan:	
Governmental Activities	
Public Employee	\$ 5,276,975
Law Enforcement	508,408
Total:	\$ 5,785,383
Component Units	
Weed and Pest Control District	\$ 281,131
Fair Board	51,071
Library Board	878,441
Museum Board	107,257
Total:	\$ 1,317,900
Business Activities	
Enterprise Fund	\$ 407,617

For the plan year end, the proportionate share of the net pension liability is as follows:

	December 31, 2014	December 31, 2013	Increase (Decrease)
Pension Plan:			
Public Employee Pension Plan	0.3221%	0.3090%	0.0131%
Component Units			
Weed and Pest Control District	0.1593%	0.1874%	(0.0281)%
Fair Board	0.0029%	0.0025%	0.0004%
Library Board	0.0498%	0.0491%	0.0007%
Museum Board	0.0061%	0.0061%	0.0001%
Law Enforcement Pension Plan	1.7255%	1.6239%	0.1016%

The amount reported as deferred outflows of resources related to pensions resulting from Employer contributions subsequent to the measurement date, in the amount of \$571,350 for the governmental activities, \$30,493 for the business-type activities, and \$104,559 for the aggregate discretely presented component units will be recognized as a reduction of the net pension liability in the year ending June 30, 2016.

PARK COUNTY, WYOMING
NOTES TO THE FINANCIAL STATEMENTS
Year Ended June 30, 2015

NOTE 10 – DEFINED BENEFIT PENSION PLAN – PUBLIC EMPLOYEES (CONTINUED)

The average of the expected remaining service lives of all employees that are provided with pensions through the Plan (active and inactive employees), determined at January 1, 2014, the beginning of the measurement period ended December 31, 2014, is 4.0139 years for the Public Pension Plan and 5.24 years for the Law Enforcement Plan.

At June 30, 2015, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Governmental Activities		Business-Type Activities		
	Public Employee Pension Plan	Law Enforcement Pension Plan			
Pension Expense	\$ 731,672	\$ 225,783	\$ 56,518	\$ 1,013,973	
Deferred Outflow of Resources					
Net difference between projected and actual earnings on pension plan investments	\$ 432,666	\$ 200,787	\$ 33,421	\$ 666,874	
Changes in proportion and differences between contributions and proportionate share of contributions	139,252	15,011	10,756	165,019	
Contributions subsequent to the measurement date	394,762	176,588	30,493	601,843	
Total Deferred Outflow of Resources	\$ 966,680	\$ 392,386	\$ 74,670	\$ 1,433,736	
	Component Units				
	Fair Board	Library Board	Museum Board	Weed and Pest Control District	Total
Pension Expense	\$ 8,299	\$ 119,697	\$ 13,402	\$ 25,866	\$ 167,264
Deferred Outflow of Resources					
Net difference between projected and actual earnings on pension plan investments	\$ 4,187	\$ 72,025	\$ 8,794	\$ 23,050	\$ 108,056
Changes in proportion and differences between contributions and proportionate share of contributions	4,768	7,586	-	-	12,354
Contributions subsequent to the measurement date	3,623	67,599	8,499	24,838	104,559
Total Deferred Outflow of Resources	\$ 12,578	\$ 147,210	\$ 17,293	\$ 47,888	\$ 224,969
Deferred Inflow of Resources					
Changes in proportion and differences between contributions and proportionate share of contributions	\$ -	\$ -	\$ -	\$ 32,063	\$ 32,063

PARK COUNTY, WYOMING
NOTES TO THE FINANCIAL STATEMENTS
Year Ended June 30, 2015

NOTE 10 – DEFINED BENEFIT PENSION PLAN – PUBLIC EMPLOYEES (CONTINUED)

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense (revenue) as follows:

	Governmental Activities		Business-Type Activities		Total
	Public Employee Pension Plan	Law Enforcement Pension Plan	Enterprise Fund		
Year Ended June 30:					
2016	\$ 154,370	\$ 53,745	\$ 11,924		\$ 220,039
2017	154,370	53,745	11,924		220,039
2018	154,370	53,745	11,924		220,039
2019	108,808	53,745	8,405		170,958
2020	-	818	-		818
Total:	\$ 571,918	\$ 215,798	\$ 44,177		\$ 831,893

	Component Units				
	Fair Board	Library Board	Museum Board	Weed and Pest Control District	Total
Year Ended June 30:					
2016	\$ 2,631	\$ 20,526	\$ 2,199	\$ (4,889)	\$ 20,467
2017	2,631	20,526	2,199	(4,889)	20,467
2018	2,631	20,526	2,198	(4,891)	20,464
2019	1,062	18,033	2,198	5,656	26,949
Total:	\$ 8,955	\$ 79,611	\$ 8,794	\$ (9,013)	\$ 88,347

Actuarial Assumptions

Valuations are based on actuarial assumptions, the benefit formulas, and employee groups. Level percentages of payroll normal costs are determined using the Entry Age Normal Cost Method. Under the Entry Age Normal Cost Method, the actuarial present value of the projected benefits of each individual included in the actuarial valuation is allocated as a level percentage of each year's earnings of the individual between entry age and assumed exit age. The Plan amortizes any unfunded actuarial accrued liability based on a level percentage of payroll. The maximum amortization period for the Plan permitted under Wyoming Code is 30 years.

The total pension liability in the January 1, 2015 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3.25%
Salary increases	4.50 – 6.00%, including inflation
Investment rate of return	7.75%, net of investment expenses

Mortality rates were based on the RP – 2000 combined mortality table for healthy males or females as appropriate with the following post-retirement mortality offsets:

- Males: set back 1 year with a 104% multiplier
- Females: no setback with a 90% multiplier

**PARK COUNTY, WYOMING
NOTES TO THE FINANCIAL STATEMENTS
Year Ended June 30, 2015**

NOTE 10 – DEFINED BENEFIT PENSION PLAN – PUBLIC EMPLOYEES (CONTINUED)

Mortality rates were based on the RP – 2000 combined mortality table for healthy males or females as appropriate with the following pre-retirement mortality offsets:

- Males: set back 5 years with a 104% multiplier
- Females: set back 4 years with a 90% multiplier

The assumed rate of investment return was adopted by the Plan’s trustees after considering input from the Plan’s investment consultant and actuary. Additional information about the assumed rate of investment return was included in the Plan’s actuarial valuation report as of January 1, 2014. In addition, a five-year experience study was completed as of December 31, 2011 that provided a detailed analysis regarding recommendations on the long-term rates for inflation and the real rate of return. The assumed rate of investment return of 7.75% falls within a reasonable range of the long-term rate of return.

The long-term expected rate of return on pension plan investments was determined using the building block approach and a forward-looking model in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighing the expected future real rates of return by the target asset allocation percentages and by adding expected inflation.

The target allocation and best estimates of arithmetic real rates of return for each major asset as of January 1, 2014 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Cash	2.50%	0.50%
Fixed income	15.00%	0.80%
Equity	55.00%	5.26%
Marketable alternatives	15.50%	3.79%
Private markets	12.00%	5.76%
Total	100.00%	

Discount Rate

The discount rate used to measure the total pension liability was 7.75%. This rate was based on the expected rate of return on pension plan investments of 7.75%. The projection of cash flows used to determine the rate assumed that plan member contributions and employer contributions will be made at the current contribution rate. Based on these assumptions, the pension plan’s fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

	<u>Inflation</u>	<u>Salary Increases</u>	<u>Investment Rate of Return</u>
Public Employee Pension Plan	3.25%	4.25% to 6.00%, average, including inflation	7.75%, net of pension plan investment expense, including inflation
Law Enforcement Pension Plan	3.25%	4.25% to 8.00%, average, including inflation	7.75%, net of pension plan investment expense, including inflation

PARK COUNTY, WYOMING
NOTES TO THE FINANCIAL STATEMENTS
Year Ended June 30, 2015

NOTE 10 – DEFINED BENEFIT PENSION PLAN – PUBLIC EMPLOYEES (CONTINUED)

Sensitivity of the County’s Proportionate Share of the Net Pension Liability

The following presents the District’s proportionate share of the net pension liability calculated using the discount rate of 7.75%, as well as what the District’s proportionate share of the net pension liability would be if it were calculated using a discount rate that is one percentage point lower or one percentage point higher than the current rate:

	<u>1% Decrease (6.75%)</u>	<u>Current Discount Rate (7.75%)</u>	<u>1% Increase (8.75%)</u>
Public Employees Pension Plan	\$ 10,942,167	\$ 7,002,492	\$ 3,693,362
Law Enforcement Pension Plan	\$ 1,775,178	\$ 508,408	\$ (536,986)

Pension Plan Fiduciary Net Position

Detailed information about the pension plan’s fiduciary net position is available in the separately issued WRS Plan financial report.

A copy of the Plan’s financial statements may be obtained by contacting the Wyoming Retirement System at 6101 Yellowstone Road, Suite 500, Cheyenne, WY 82002 or on the Plan’s website at <http://retirement.state.wy.us>.

Payables to the Pension Plan

At June 30, 2015, the District reported payables of \$290,103 to the defined benefit pension plan for legally required employer contributions or employee contributions, which had been withheld from employee wages but not yet remitted to the Plans.

NOTE 11 – EMPLOYEE BENEFITS FUND

The County provides medical related benefits to eligible employees through a self-insured plan, administered by a third party administrator. The costs of benefits paid, administrative fees, and reinsurance premiums are paid through an internal service fund maintained by the County. The County covers the cost of insurance. Under this program the County, through a third-party administrator, pays covered employee medical expenses above the individual deductible of \$3,000 and \$6,000 for a family. Costs above \$60,000 are covered by stop-loss insurance purchased from a commercial insurance company. Changes in claims payable including the third party administrator’s estimate of claims recorded but not reported (presented) (IBNR) were:

<u>Valuation Date</u>	<u>Beginning of Fiscal Year Liability</u>	<u>Current Year Claims and Changes in Estimates</u>	<u>Claim Payments</u>	<u>End of Fiscal Year Liability</u>
June 30, 2015	\$ 262,861	\$ 1,897,412	\$ 1,849,213	\$ 311,060
June 30, 2014	291,374	1,656,791	1,685,304	262,861
June 30, 2013	96,939	1,707,337	1,512,902	291,374

PARK COUNTY, WYOMING
NOTES TO THE FINANCIAL STATEMENTS
Year Ended June 30, 2015

NOTE 12 – ECONOMIC DEPENDENCE

The County receives a substantial portion of support from property, sales, and other taxes assessed on taxpayers at various levels, and federal agencies and state governments. A significant reduction in the level of this support, if this were to occur, may have a significant effect on the County's special revenue programs and activities, and capital projects.

NOTE 13 – RISK MANAGEMENT

The County is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; injuries to employees; and natural disasters. The County accounts for and finances its risk activities in the General Fund.

These risks are covered by commercial insurance purchased from independent third parties. Settled claims from these risks have not exceeded commercial insurance coverage for the last three years. The County has had no significant reductions in insurance coverage from coverage in prior years. The County pays into the State Worker's Compensation System a premium based on a rate per covered payroll. This rate is calculated based on accident history and administrative costs.

The County retains a certain level of all liability losses. For the year ended June 30, 2015, the County retains liability losses for All Risk up to \$250,000 with a limit of \$1,000,000,000 per occurrence. The County retains liability losses for earthquakes up to \$50,000 with a limit of \$25,000,000,000 per occurrence. The County retains liability losses for Flood up to \$25,000 with a limit of \$5,000,000,000 per occurrence. The County retains liability losses for Boiler and Machinery up to \$5,000 with a limit of \$100,000,000 per occurrence. The County retains liability losses for Vehicles up to \$75,000.

NOTE 14 – PRIOR PERIOD ADJUSTMENTS

For the year ended June 30, 2015, the County and the Boards adopted the provisions of GASB Statement No. 68, Accounting and Financial Reporting for Pensions (GASB No. 68), and the related GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to Measurement Date*, an amendment of GASB Statement No. 68, which is effective for financial statements for periods beginning after June 15, 2014. GASB No. 68 revises and establishes new financial reporting requirements for most governments that provide their employees with pension benefits. GASB No. 68 requires cost-sharing employers participating in the WRS program, to record their proportionate share, as defined in GASB No. 68, of WRS's unfunded pension liability.

The County corrected an error in the government and business-type activities related to the understatement of capital assets in previous years. The County performed an inventory of its capital assets; this resulted in an increase in capital assets in its governmental activities of \$790,352 and \$58,362 in its business-type activities.

PARK COUNTY, WYOMING
NOTES TO THE FINANCIAL STATEMENTS
Year Ended June 30, 2015

NOTE 14 – PRIOR PERIOD ADJUSTMENTS (CONTINUED)

For the County and the Boards, the effect of implementing this standard was to change how it accounts and reports the net pension liability. Implementation of the standard and the correction of an error in the capital assets resulted in a restatement of the prior period Net Position as follows:

	Governmental Activities	Business-type Activities	Component Units
			County Boards
Net Position balance - July 1, 2014	\$ 76,391,382	\$ (74,451)	\$ 3,922,335
Net Pension Liability	(4,657,529)	(336,864)	(1,162,787)
Deferred outflows of resources due to pension	540,481	28,181	92,691
Prior Period Adjustment for Capital Assets	790,352	58,362	-
Net Position balance - July 1, 2014 (as restated)	<u>\$ 73,064,686</u>	<u>\$ (324,772)</u>	<u>\$ 2,852,239</u>

						Total Discretely Presented Component Units
	Weed and Pest Control District	Fair Board	Library Board	Museum Board	Parks and Recreation	
Net Position balance - July 1, 2014	\$ 1,899,646	\$ 253,454	\$ 549,928	\$ 1,217,287	\$ 2,020	\$ 3,922,335
Net Pension Liability	(284,928)	(37,652)	(746,732)	(93,475)	-	(1,162,787)
Deferred outflows of resources due to pension	20,800	3,550	60,727	7,614	-	92,691
Net Position balance - July 1, 2014 (as restated)	<u>\$ 1,635,518</u>	<u>\$ 219,352</u>	<u>\$ (136,077)</u>	<u>\$ 1,131,426</u>	<u>\$ 2,020</u>	<u>\$ 2,852,239</u>

This information is an integral part of the accompanying financial statements.

REQUIRED SUPPLEMENTARY INFORMATION

PARK COUNTY, WYOMING
BUDGETARY COMPARISON SCHEDULE (BUDGETARY BASIS)
GENERAL FUND
Year Ended June 30, 2015

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
REVENUES				
Intergovernmental	\$ 5,631,470	\$ 5,631,470	\$ 4,581,530	\$ (1,049,940)
Charges for goods and services	1,184,384	1,184,384	1,144,655	(39,729)
Lease/rental	577,576	577,576	566,022	(11,554)
Taxes	18,033,833	18,033,833	18,190,631	156,798
License and permits	35,650	35,650	55,566	19,916
Interest Income	62,000	62,000	79,897	17,897
Other	68,400	68,400	38,006	(30,394)
Total revenues	<u>25,593,313</u>	<u>25,593,313</u>	<u>24,656,307</u>	<u>(937,006)</u>
EXPENDITURES				
General government	9,800,722	9,800,722	8,979,410	821,312
Public works	11,825,053	11,825,053	10,559,926	1,265,127
Public safety	5,584,092	5,584,092	5,150,919	433,173
Health services	629,963	629,963	668,821	(38,858)
Environmental management	182,569	182,569	50,995	131,574
Total expenditures	<u>28,022,399</u>	<u>28,022,399</u>	<u>25,410,071</u>	<u>2,612,328</u>
NET CHANGE IN FUND BALANCE	(2,429,086)	(2,429,086)	(753,764)	1,675,322
FUND BALANCE - beginning of year	<u>18,608,268</u>	<u>18,608,268</u>	<u>17,782,180</u>	<u>826,088</u>
FUND BALANCE - end of year	<u><u>\$ 16,179,182</u></u>	<u><u>\$ 16,179,182</u></u>	<u><u>\$ 17,028,416</u></u>	<u><u>\$ 2,501,410</u></u>

PARK COUNTY, WYOMING
BUDGETARY COMPARISON SCHEDULE (BUDGETARY BASIS)
GENERAL FUND
Year Ended June 30, 2015

Explanation of differences between budgetary basis and GAAP basis.

Revenue		
Actual amount from Budgetary Comparison Schedule - Budgetary Basis	\$	24,656,307
Reconciliation - budgetary basis to GAAP		
Recognize grant revenue		968,713
Change in taxes receivable		385,941
Change in charges for goods and services		(6,738)
Total revenues as reported on the Statement of Revenue, Expenditures		<u>26,004,223</u>
and changes in Fund Balance - Governmental Funds		<u>26,004,223</u>
Expenditures		
Actual amount from Budgetary Comparison Schedule - Budgetary Basis		25,410,071
Reconciliation - budgetary basis to GAAP		
Change in accounts payable		500,470
Change in accrued liabilities		59,975
Change in prepaid items		(245)
Total expenditures as reported on the Statement of Revenue, Expenditures		<u>25,970,271</u>
and changes in Fund Balance - Governmental Funds		<u>25,970,271</u>
Reconciliation - budgetary basis to GAAP		
Amounts transferred from other funds		<u>24,333</u>
Change in Fund Balance -		
Governmental Funds GAAP basis	\$	<u><u>58,285</u></u>

PARK COUNTY, WYOMING
SCHEDULES OF THE COUNTY'S PROPORTIONATE SHARE
OF THE NET PENSION LIABILITY
Last 10 Fiscal Years

	<u>2014</u>	<u>2013</u>
Public Employee Pension Plan		
County's proportion (percentage) of the collective net pension liability (asset)	0.5403%	0.5541%
County's proportionate share of the collective pension liability (asset)	7,002,492	5,860,663
Covered-employee payroll	5,593,080	5,298,081
County's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	125.20%	110.62%
Plan fiduciary net pension as a percentage of the total pension liability	79.08%	81.10%
Law Enforcement Pension Plan		
County's proportion (percentage) of the collective net pension liability (asset)	1.7255%	1.6239%
County's proportionate share of the collective pension liability (asset)	508,408	296,517
Covered-employee payroll	2,670,820	2,459,738
County's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	19.04%	12.05%
Plan fiduciary net pension as a percentage of the total pension liability	94.76%	96.53%

* The amounts presented for each fiscal year were determined as of December 31.

**PARK COUNTY, WYOMING
SCHEDULE OF CONTRIBUTIONS
AND RELATED RATIOS
Last 10 Fiscal Years**

As of June 30,	<u>2015</u>	<u>2014</u>
Public Employee Pension Plan		
Statutorily required contributions	\$ 886,265	\$ 776,916
Contributions in relation to the statutorily required contribution	<u>886,265</u>	<u>776,916</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>
Covered-employee payroll	5,548,534	5,348,742
Contribution as a percentage of covered-employee payroll	15.97%	14.53%
Law Enforcement Pension Plan		
Statutorily required contributions	\$ 372,051	\$ 352,297
Contributions in relation to the statutorily required contribution	<u>372,051</u>	<u>352,297</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>
Covered-employee payroll	2,790,143	2,429,180
Contribution as a percentage of covered-employee payroll	13.33%	14.50%

* The amounts presented for each fiscal year were determined as of June 30. This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, the County is presenting information for those years for which information is readily available.

COMBINING FUND FINANCIAL STATEMENTS

**PARK COUNTY, WYOMING
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
June 30, 2015**

	<u>Law Enforcement</u>	<u>E-911</u>	<u>Total Nonmajor Governmental Funds</u>
ASSETS			
Cash and investments	\$ 38	\$ 504,672	\$ 504,710
Taxes receivable	-	22,740	22,740
Accrued interest	128	4	132
Prepaid items	-	56,833	56,833
Total assets	<u>\$ 166</u>	<u>\$ 584,249</u>	<u>\$ 584,415</u>
LIABILITIES AND FUND BALANCES			
LIABILITIES			
Due to other funds	\$ -	\$ 45,922	\$ 45,922
Total liabilities	<u>-</u>	<u>45,922</u>	<u>45,922</u>
FUND BALANCES			
Nonspendable	-	56,833	56,833
Restricted for			
Public safety	<u>166</u>	<u>481,494</u>	<u>481,660</u>
Total fund balance	<u>166</u>	<u>538,327</u>	<u>538,493</u>
Total liabilities and fund balance	<u>\$ 166</u>	<u>\$ 584,249</u>	<u>\$ 584,415</u>

PARK COUNTY, WYOMING
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
Year Ended June 30, 2015

	Law Enforcement	E-911	Total Nonmajor Governmental Funds
REVENUES			
Taxes	\$ -	\$ 174,255	\$ 174,255
Interest income	-	464	464
Total revenues	<u>-</u>	<u>174,719</u>	<u>174,719</u>
EXPENDITURES			
Public safety	-	186,515	186,515
Total expenditures	<u>-</u>	<u>186,515</u>	<u>186,515</u>
NET CHANGES IN FUND BALANCES	-	(11,796)	(11,796)
FUND BALANCES, Beginning	<u>166</u>	<u>550,123</u>	<u>550,289</u>
FUND BALANCES, Ending	<u>\$ 166</u>	<u>\$ 538,327</u>	<u>\$ 538,493</u>

COMBINING COMPONENT UNIT FINANCIAL STATEMENTS

PARK COUNTY, WYOMING
COMBINING STATEMENT OF NET POSITION
COMPONENT UNITS
June 30, 2015

	Weed and Pest Control District	Fair Board	Library Board	Museum Board	Parks and Recreation	Total Discretely Presented Component Units
ASSETS						
Current assets						
Cash and investments	\$ 713,141	\$ 32,609	\$ 251,362	\$ 19,354	\$ 30,826	\$ 1,047,292
Restricted cash	-	-	193,704	-	-	193,704
Accounts receivable	84,590	-	-	-	1,707	86,297
Taxes receivable	2,020	-	-	-	-	2,020
Prepaid expenses	-	-	4,082	-	-	4,082
Inventories	82,568	-	-	-	-	82,568
Noncurrent assets						
Nondepreciable capital assets	89,100	-	8,000	1,179,187	-	1,276,287
Depreciable capital assets	1,046,183	207,843	116,152	2,162	-	1,372,340
Total assets	<u>2,017,602</u>	<u>240,452</u>	<u>573,300</u>	<u>1,200,703</u>	<u>32,533</u>	<u>4,064,590</u>
DEFERRED OUTFLOWS OF RESOURCES						
Pension related items	47,888	12,578	147,210	17,293	-	224,969
Total deferred outflows of resources	<u>47,888</u>	<u>12,578</u>	<u>147,210</u>	<u>17,293</u>	<u>-</u>	<u>224,969</u>
LIABILITIES						
Accounts payable	-	-	-	-	-	-
Accrued salaries and benefits	111	1,465	450	-	-	2,026
Deferred revenues	-	-	-	-	-	-
Long-term liabilities						
Due within one year						
Compensated absences	17,015	-	54,544	-	-	71,559
Loan payable	-	-	-	-	-	-
Due more than one year						
Compensated absences	8,434	-	-	-	-	8,434
Net pension liability	281,131	51,071	878,441	107,257	-	1,317,900
Total liabilities	<u>306,691</u>	<u>52,536</u>	<u>933,435</u>	<u>107,257</u>	<u>-</u>	<u>1,399,919</u>
DEFERRED INFLOWS OF RESOURCES						
Pension related items	32,063	-	-	-	-	32,063
Total deferred inflows of resources	<u>32,063</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>32,063</u>
NET POSITION						
Investment in capital assets	1,135,283	207,843	124,152	1,181,349	-	2,648,627
Restricted:						
Library	-	-	193,704	-	-	193,704
Unrestricted	591,453	(7,349)	(530,781)	(70,610)	32,533	15,246
	<u>\$ 1,726,736</u>	<u>\$ 200,494</u>	<u>\$ (212,925)</u>	<u>\$ 1,110,739</u>	<u>\$ 32,533</u>	<u>\$ 2,857,577</u>

PARK COUNTY, WYOMING
COMBINING STATEMENT OF ACTIVITIES
COMPONENT UNITS
Year Ended June 30, 2015

	Weed and Pest Control District	Fair Board	Library Board	Museum Board	Parks and Recreation	Total Discretely Presented Component Units
REVENUES						
Operating revenues:						
Charges for goods and services	\$ 713,890	222,723	\$ 81,573	\$ -	\$ 192,638	\$ 1,210,824
Intergovernmental	28,179	-	-	-	-	28,179
Lease/rental	3,325	-	-	-	-	3,325
Taxes	973,245	216,838	1,608,569	192,385	-	2,991,037
Fines	-	-	10,960	1,454	-	12,414
Other	7,530	27,400	1,419	-	-	36,349
Total operating revenues	<u>1,726,169</u>	<u>466,961</u>	<u>1,702,521</u>	<u>193,839</u>	<u>192,638</u>	<u>4,282,128</u>
EXPENDITURES						
Operating expenses:						
General and administrative	41,042	57,463	1,484,896	174,487	1,630	1,759,518
Operating expense	301,395	157,375	185,592	34,487	160,541	839,390
Advertising/marketing	23,172	49,497	-	-	-	72,669
Payroll	471,483	141,072	-	-	-	612,555
Payroll taxes	103,989	27,818	-	-	-	131,807
Repairs and maintenance	21,503	1,198	1,567	-	-	24,268
Travel and training	18,673	6,522	8,926	-	-	34,121
Contractual	63,883	9,701	-	-	-	73,584
Office supplies	24,350	4,681	19,942	-	-	48,973
Utilities	9,282	-	1,355	-	-	10,637
Dues and Subscriptions	4,029	3,155	7,270	-	-	14,454
Insurance	16,149	-	-	-	-	16,149
Bad Debt expense	-	2,113	-	-	-	2,113
Professional fees	1,157	-	1,219	-	-	2,376
Equipment	6,480	791	38,375	4,762	-	50,408
Cost of goods sold	395,785	-	-	-	-	395,785
Depreciation expense	87,973	11,878	22,899	1,876	-	124,626
Other	45,602	13,725	14,334	-	-	73,661
Total operating expenses	<u>1,635,947</u>	<u>486,989</u>	<u>1,786,375</u>	<u>215,612</u>	<u>162,171</u>	<u>4,287,094</u>
OPERATING INCOME (LOSS)	<u>90,222</u>	<u>(20,028)</u>	<u>(83,854)</u>	<u>(21,773)</u>	<u>30,467</u>	<u>(4,966)</u>
NON-OPERATING REVENUES (EXPENSES)						
Interest income	996	1,170	7,006	1,086	46	10,304
Interest expense	-	-	-	-	-	-
Total non-operating revenues (expenses)	<u>996</u>	<u>1,170</u>	<u>7,006</u>	<u>1,086</u>	<u>46</u>	<u>10,304</u>
CHANGES IN NET POSITION	<u>91,218</u>	<u>(18,858)</u>	<u>(76,848)</u>	<u>(20,687)</u>	<u>30,513</u>	<u>5,338</u>
NET POSITION, Beginning (as restated)	<u>1,635,518</u>	<u>219,352</u>	<u>(136,077)</u>	<u>1,131,426</u>	<u>2,020</u>	<u>2,852,239</u>
NET POSITION, Ending	<u>\$ 1,726,736</u>	<u>\$ 200,494</u>	<u>\$ (212,925)</u>	<u>\$ 1,110,739</u>	<u>\$ 32,533</u>	<u>\$ 2,857,577</u>

COMPLIANCE SECTION

SINGLE AUDIT

**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED
ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE
WITH GOVERNMENT AUDITING STANDARDS**

Board of County Commissioners
Park County, Wyoming

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Park County, Wyoming, as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise Park County, Wyoming's basic financial statements, and have issued our report thereon dated February 16, 2016.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Park County, Wyoming's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Park County, Wyoming's internal control. Accordingly, we do not express an opinion on the effectiveness of Park County, Wyoming's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described in the accompanying Schedule of Findings and Questioned Costs, we identified certain deficiencies in internal control that we consider to be material weaknesses and significant deficiencies.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. We consider the deficiencies described in the accompanying Schedule of Findings and Questioned Costs as items 2015-001, 2015-002, 2015-005, and 2015-008 to be a material weakness.

A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the deficiencies described in the accompanying Schedule of Findings and Questioned Costs to be significant deficiencies: 2015-003, 2015-004, 2015-006, 2015-007, and 2015-009.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Park County, Wyoming's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Park County, Wyoming's Responses to Findings

Park County, Wyoming's responses to the findings identified in our audit are described in the accompanying Schedule of Findings and Questioned Costs. Park County, Wyoming's responses were not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on them.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the result of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



CliftonLarsonAllen LLP

Broomfield, Colorado
February 16, 2016

**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE WITH REQUIREMENTS
THAT COULD HAVE A DIRECT AND MATERIAL EFFECT ON EACH MAJOR
FEDERAL PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE,
IN ACCORDANCE WITH OMB CIRCULAR A-133**

Board of County Commissioners
Park County, Wyoming

Report on Compliance for Each Major Federal Program

We have audited Park County, Wyoming's compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of Park County, Wyoming's major federal programs for the year ended June 30, 2015. Park County, Wyoming's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for each of Park County, Wyoming's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Park County, Wyoming's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of Park County, Wyoming's compliance.

Opinion on Each Major Federal Program

In our opinion, Park County, Wyoming complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2015.

Report on Internal Control Over Compliance

Management of Park County, Wyoming is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Park County, Wyoming's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Park County, Wyoming's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the result of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.



CliftonLarsonAllen LLP

Broomfield, Colorado
February 16, 2016

PARK COUNTY, WYOMING
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended June 30, 2015

Section I - Summary of Auditors' Results

Financial Statements

Type of auditors' report issued: Unmodified

Internal control over financial reporting:

- Material weakness(es) identified? yes no
- Significant deficiency(ies) identified that are not considered to be material weaknesses? yes none reported

Noncompliance material to financial statements noted? yes no

Federal Awards

Internal control over major programs:

- Material weakness(es) identified? yes no
- Significant deficiencies identified that are not considered to be material weakness(es)? yes none reported

Type of auditors' report issued on compliance for major program: Unmodified

Any audit findings, disclosed that are required to be reported in accordance with Section 510(a) of Circular A-133? yes no

Identification of major program:

CFDA

<u>Number(s)</u>	<u>Name of Federal Program or Cluster</u>
66.458	Clean Water State Revolving Fund

Dollar threshold used to distinguish between type A and type B programs \$300,000

Auditee qualified as low-risk auditee? yes no

PARK COUNTY, WYOMING
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended June 30, 2015

Section II - Financial Statement Findings

Finding: 2015-001 Financial Statement Presentation

Material Weakness

Criteria: The County is required to maintain a general ledger necessary to support the preparation of its financial statements in accordance with generally accepted accounting principles. The County engages CliftonLarsonAllen to prepare its audited financial statements, which consists of capitalizing and depreciating capital assets, capitalizing debt activity, converting the general ledger activity from cash basis to modified accrual and full accrual basis of accounting for government-wide presentation in the financial statements, and drafting financial statements and associated footnote disclosures. However, as independent auditors, CliftonLarsonAllen cannot be considered part of the County's financial statement internal control system.

Condition: The County does not prepare cash to accrual adjustments for financial statement presentation to be in compliance with GASB standards.

Cause: The County has previously relied on its auditors to prepare and calculate certain information necessary to prepare its financial statements.

Effect: The possibility exists that the County's financial statements as prepared by the County's personnel would not provide a high level of assurance that potential omissions or other errors that are material, would be identified and corrected. These situations require that the Board of County Commissioners consider the County's financial activities and operations being reported as part of the Board of County Commissioners' acceptance of the audited financial statements.

Recommendation: We recommend the County review and enhance its year-end closing procedures to ensure the general ledger and trial balances include all adjustments necessary to prepare its financial statements in accordance with generally accepted accounting principles. We will assist the County to identify all anticipated additional procedures.

Views of responsible officials and planned corrective actions: The County will review and enhance its year-end closing procedures to ensure that the general ledger and trial balances include adjustments to help prepare its financial statements. The County will have the noted response implemented by June 30, 2016.

Responsible Official: Colleen Renner, Park County Clerk

Finding: 2015-002 Internal Controls over Information Technology

Material Weakness

Criteria: Management is responsible for adopting sound accounting policies and establishing and maintaining a system of internal control for the fair presentation of the basic financial statements in accordance with principles generally accepted in the United States of America.

PARK COUNTY, WYOMING
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended June 30, 2015

Condition: During our review and gaining an understanding of the control process and access rights within the information technology system, we noted several employees within the Clerk's office who have unlimited access within the system. We also noted that there is no process in place to ensure all terminated employees access rights have been removed.

Cause: The County personnel did not properly review and assess the proper level of access rights within the information system for each individual employee.

Effect: The possibility for potential fraud exists due to the lack of segregation of duties in the information technology system.

Recommendation: We recommend the County review all the user access rights within the information technology system for incompatible segregation of duties and make the necessary changes. We also recommend the County implement a process to ensure all terminated users access rights have been removed.

Views of responsible officials and planned corrective actions: The Clerk's office in conjunction with the IT Department has addressed and alleviated the segregations of duties issues. The Clerk's office will continue to be diligent in reviewing the proper levels of access for each employee. The County will have the noted response implemented by June 30, 2016.

Responsible Official: Colleen Renner, Park County Clerk

Finding: 2015-003 Internal Controls over General Account Reconciliations

Significant Deficiency

Criteria: Management is responsible for adopting sound accounting policies and establishing and maintaining a system of internal control for the fair presentation of the basic financial statements in accordance with principles generally accepted in the United States of America.

Condition: It was noted during our testing of the County's trial balances, there were several balance sheet accounts within the general ledger where the balances had not changed in several years.

Cause: There is no process in place to review balance sheet accounts on a regular basis for proper presentation.

Effect: The account balance could potentially be misstated for financial statement presentation and fraudulent activity may not be detected.

Recommendation: We recommend that the County implement a control process to ensure all balance sheet accounts have been reconciled on a regular basis.

Views of responsible officials and planned corrective actions: A written procedure will be implemented to reconcile the balance sheet accounts on a regular basis. The County will have the noted response implemented by June 30, 2016.

Responsible Official: Colleen Renner, Park County Clerk

PARK COUNTY, WYOMING
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended June 30, 2015

Finding: 2015-004 Internal Service Fund (Employee Health Benefits)

Significant Deficiency

Criteria: Management is responsible for adopting sound accounting policies and establishing and maintaining a system of internal control for the fair presentation of the basic financial statements in accordance with principles generally accepted in the United States of America.

Condition: During our review and gaining an understanding of how the County tracks its self-insurance fund, health insurance for the employees, we noted that the County has not set up a separate fund to track the monthly activities for financial statement purposes. We also noted that the bank balances are not kept within the general ledger.

Cause: There is no process in place to ensure all County cash accounts are being tracked within the system and all activity is being recorded.

Effect: The financial statements could be misstated in accordance with generally accepted accounting principles and fraudulent activity may not be detected.

Recommendation: We recommend that the County implement a process to record, at a minimum, the monthly activity at a summary level and all cash accounts within the County's general ledger to help track and monitor the account balances for the internal service fund.

Views of responsible officials and planned corrective actions: The clerk's office will set up a new procedure and put it in place in the General Ledger to track and summarize this fund. The County will have the noted response implemented by June 30, 2016.

Responsible Official: Colleen Renner, Park County Clerk

Finding: 2015-005 Capital Assets

Material Weakness

Criteria: Management is responsible for adopting sound accounting policies and establishing and maintaining a system of internal control for the fair presentation of the basic financial statements in accordance with principles generally accepted in the United States of America.

Condition: During our testing of the capital assets of the County, we noted the County does not regularly update or review the capital asset listing to ensure its completeness and accuracy. We discovered multiple assets that had been left off the capital asset listing in prior years. The County's fixed asset listing as of July 1, 2014 did not agree to the reported capital asset balance in the June 30, 2014 financial statements, leading to the restatement of the 2014 reported capital asset balance.

Cause: There is no process in place to review the capital asset listing to the financial statements.

Effect: The financial statements could be materially misstated in accordance with generally accepted accounting principles.

PARK COUNTY, WYOMING
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended June 30, 2015

Recommendation: We recommend that the County implement a control process to review the County's capital asset listing on a regular basis and review other expenditures to ensure all assets are being properly capitalized. We also recommend the County review the listing for assets that should be written off due to impairment or have been sold/scrapped during the year.

Views of responsible officials and planned corrective actions: A training seminar with the "Tyler Systems" on the capital assets program will be conducted during Fiscal Year 2016 and a control process to track and properly capitalize and dispose of assets will be implemented upon completion. The County will have the noted response implemented by June 30, 2016.

Responsible Official: Colleen Renner, Park County Clerk

Finding: 2015-006 Internal Controls over Cash & Investments

Significant Deficiency

Criteria: Management is responsible for adopting sound accounting policies and establishing and maintaining a system of internal control for the fair presentation of the basic financial statements in accordance with principles generally accepted in the United States of America.

Condition: During our review and testing of the cash balance, we noted the County does not have a procedure in place to ensure that all cash accounts held with the County are included and tracked in the general ledger for proper presentation. During our testing of Cash, we discovered an account held by the Park County Clerk's office at The Bank of Wyoming. This account was not being tracked in the County's General Ledger.

Cause: The County does not have a process in place to track and reconcile all cash accounts held under the County.

Effect: The cash balance could potentially be misstated for financial statement presentation and fraudulent activity may not be detected.

Recommendation: We recommend that the County implement a control process to ensure all cash and bank accounts are reconciled to the general ledger.

Views of responsible officials and planned corrective actions: A written procedure will be implemented to reconcile all cash and bank accounts to the General Ledger. The County will have the noted response implemented by June 30, 2016.

Responsible Official: Barb Poley, Park County Treasurer and Colleen Renner, Park County Clerk

Finding: 2015-007 Internal Controls over Information Technology

Significant Deficiency

Criteria: Management is responsible for adopting sound accounting policies and establishing and maintaining a system of internal control for the fair presentation of the basic financial statements in accordance with principles generally accepted in the United States of America.

PARK COUNTY, WYOMING
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended June 30, 2015

Condition: During our review and testing of Capital Assets, we noted the County does not have a procedure in place to ensure that all software updates sent out by their provider get implemented into the different modules of the Park County Information and Accounting Systems.

Cause: The County does not have a process in place to ensure all software updates are implemented to the various modules of the system.

Effect: The financial statements could be materially misstated due to un-addressed software issues within the various accounting modules of the system.

Recommendation: We recommend that the County implement a control process to ensure that IT updates all modules of the Information System with the most recent upgrades sent out by the software provider.

Views of responsible officials and planned corrective actions: The Clerk's office in conjunction with the IT Department has addressed and alleviated the segregations of duties issues. The Clerk's office will continue to be diligent in reviewing the proper levels of access for each employee. The County will have the noted response implemented by June 30, 2016.

Responsible Official: Colleen Renner, Park County Clerk

Finding: 2015-008 Fair Board Internal Controls over Petty Cash

Material Weakness

Criteria: Management is responsible for adopting sound accounting policies and establishing and maintaining a system of internal control for the fair presentation of the basic financial statements in accordance with principles generally accepted in the United States of America.

Condition: During our review and testing of the cash balances, we noted the Fair Board does not have a procedure in place to ensure the reconciliation of petty cash. Receipts were not tracked leading to a material reconciling discrepancy.

Cause: The Fair Board does not have a process in place to track and reconcile all activity within the petty cash account.

Effect: The cash balance could potentially be misstated for financial statement presentation and fraudulent activity may not be detected.

Recommendation: We recommend that the Fair Board implement a control process to ensure the proper reconciliation of petty cash to actual expenditures incurred. We also recommend that a petty cash log be established to track cash out and receipts in that includes the dates, responsible party, and reconciled cash for each instance. We also recommend the Fair Board implement clear and concise documentation of the new control procedures to ensure that the process is completed. Having this entire process reviewed and approved on a timely basis will complete this process.

Views of responsible officials and planned corrective actions: A written procedure will be implemented to reconcile petty cash to the General Ledger. The Fair Board will have the noted response implemented by June 30, 2016.

PARK COUNTY, WYOMING
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended June 30, 2015

Responsible Official: Echo Renner, Events Coordinator and Sara Skalsky, Fair Board Treasurer

Finding: 2015-009 Fair Board Internal Controls over Maintaining Expense Documentation

Significant Deficiency

Criteria: Management is responsible for adopting sound accounting policies and establishing and maintaining a system of internal control for the fair presentation of the basic financial statements in accordance with principles generally accepted in the United States of America.

Condition: During our review and testing of the Fair expenses, we noted that the Fair Board does not have a procedure in place to ensure all documentation is maintained for expenses incurred.

Cause: The Fair Board does not have a process in place to ensure documentation is maintained for expenses incurred for the Fair.

Effect: The expenditure balance could potentially be misstated for financial statement presentation and fraudulent activity may not be detected.

Recommendation: We recommend that the Fair Board implement a control process to ensure that all support is maintained for expenses incurred for the Fair. We also recommend that Fair Board take a more active role in monitoring the controls surrounding the review and approval of expenses incurred.

Views of responsible officials and planned corrective actions: A written procedure will be implemented to maintain documentation for expenses incurred for the Fair. The Fair Board will have the noted response implemented by June 30, 2016.

Responsible Official: Echo Renner, Events Coordinator and Sara Skalsky, Fair Board Treasurer

PARK COUNTY, WYOMING
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended June 30, 2015

Section III - Federal Award Findings and Questioned Costs

None noted

PARK COUNTY, WYOMING
PRIOR YEAR FINDINGS AND QUESTIONED COSTS
For the Year Ended June 30, 2014

Section II - Financial Statement Findings

Finding: 2014-001 Financial Statement Presentation

Summary: The County maintains its general ledger and prepares its budget on the cash basis of accounting. The County does not make any cash to accrual adjustments for the fund statements or government wide statements in order to be in compliance with Governmental Accounting Standards Board (GASB) and Generally Accepted Accounting Principles (GAAP).

Status: This finding will be repeated, see finding 2015-001.

Finding: 2014-002 Internal Controls over Information Technology

Summary: The County personnel did not properly review and assess the proper level of access rights within the information system for each individual employee.

Status: This finding will be repeated, see finding 2015-002.

Finding: 2014-003 Internal Controls over Cash

Summary: The County does not have a process in place to reconcile the cash balance for all warrants issued that are still outstanding as of the end of the month.

Status: Implemented.

Finding: 2014-004 Internal Controls over General Account Reconciliations

Summary: The County does not have a process in place to review and reconcile balance sheet accounts on a regular basis for proper presentation.

Status: This finding will be repeated, see finding 2015-003.

Finding: 2014-005 Internal Service Fund (Employee Health Benefits)

Summary: The County does not have a process in place to ensure all activity for the Health Insurance Fund is being recorded and tracked within the system.

Status: This finding will be repeated, see finding 2015-004.

Finding: 2014-006 Capital Assets

Summary: The County did not have a process in place to reconcile the items listed in the capital asset module to the financial statements and reconcile the capital outlay expenditures of the governmental fund statements to the capital asset additions in the statement of net position and footnotes.

Status: This finding will be repeated, see finding 2015-005.

**PARK COUNTY, WYOMING
PRIOR YEAR FINDINGS AND QUESTIONED COSTS
For the Year Ended June 30, 2014**

Section III - Federal Award Findings and Questioned Costs

None noted.

PARK COUNTY, WYOMING
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ended June 30, 2015

<u>Federal Grantor/Pass-through Grantor/Program Title</u>	<u>Pass-Through Entity Identifying Number</u>	<u>CFDA Number</u>	<u>Expenditures</u>
U.S. Department of Agriculture			
Passed through the Department of Agriculture			
Secure Payments for States and counties (Secure Rural School Fund)			
Forest Reserve - Title I		10.665	\$ 578,871
Forest Reserve - School District - Title I		10.665	36,179
Forest Reserve - Title III		10.665	<u>50,651</u>
TOTAL U.S. DEPARTMENT OF AGRICULTURE			<u>665,701</u>
U.S. Department of Justice			
Passed through State of Wyoming Division of Victim Services			
State Victim Assistance Formula Grant		16.575	100,559
Violence Against Women Formula Grant		16.588	<u>1,634</u>
TOTAL U.S. DEPARTMENT OF JUSTICE			<u>102,193</u>
U.S. Department of Health and Human Services			
Passed through Wyoming Department of Family Services			
Temporary Assistance for Needy Families (TANF) - CPI		93.558	63,062
Passed through Wyoming Department of Health, Community, & Public Health Division, Maternal and Family Health Division			
Temporary Assistance for Needy Families (TANF)		93.558	28,841
Maternal and Child Health Services Block Grants	G6CNT2	93.994	42,310
Community Service Block Grant		93.569	13,791
Passed through Wyoming Department of Health, Public Health Emergency Awareness Program			
Public Health Emergency Awareness		93.069	<u>99,425</u>
TOTAL U.S. DEPARTMENT HEALTH AND HUMAN SERVICES			<u>247,429</u>
Environmental Protection Agency			
Passed through Wyoming Office of State Land and Investment			
Capitalization Grants for Clean Water State Revolving Fund - Loan 124		66.458	<u>1,242,273</u>
TOTAL ENVIRONMENTAL PROTECTION AGENCY			<u>1,242,273</u>
U.S. Department of Homeland Security			
Passed through Wyoming Office of Homeland Security			
Homeland Security - Citizens Corp		97.067	<u>75,479</u>
TOTAL U.S. DEPARTMENT OF HOMELAND SECURITY			<u>75,479</u>
TOTAL FEDERAL FINANCIAL ASSISTANCE			<u>\$ 2,333,075</u>

See accompanying notes to schedule of expenditure of federal awards.

PARK COUNTY, WYOMING
NOTES TO THE SCHEDULE OF FEDERAL AWARDS
For the Year Ended June 30, 2015

General

The accompanying Schedule of Expenditures of Federal Awards presents the activity of all federal financial assistance programs of the primary government of Park County, Wyoming. The County's reporting entity is defined in Note 1 to the County's basic financial statements. All federal financial assistance received by the primary government directly from federal agencies, as well as federal financial assistance passed through other government agencies, including the State of Wyoming, is included on the schedule.

Basis of Accounting

The accompanying Schedule of Expenditures of Federal Awards is presented using the modified accrual basis of accounting, which is described in Note 1 to the basic financial statements. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements. Federal financial assistance provided to sub-recipients is treated as an expenditure when it is paid to the sub-recipient.

Governmental funds account for the County's federal grant activity. Amounts reported in the schedule of expenditures of federal awards are recognized on the modified accrual basis when they become a demand on current available federal resources and eligibility requirements are met, or on the accrual basis at the time liabilities are incurred and all eligibility requirements are met.

For the Clean Water State Revolving Funds grant, amounts reported in the schedule of expenditures of federal awards are recognized on the cash basis. The loans are recognized as revenue when received and the associated expenditures are recognized when the work is performed. As such, the County has determined that the associated liability of the loan will be recognized upon receipt of the reimbursement.

Outstanding Federal Loans

The County has the following federal loan obligations as of June 30, 2015:

Capitalization Grant for Clean Water State Revolving Funds – ARRA	CFDA 66.458	\$ 283,560
Capitalization Grant for Clean Water State Revolving Funds	CFDA 66.458	\$ 384,764
Capitalization Grant for Clean Water State Revolving Funds	CFDA 66.458	\$1,489,700

Sub-recipients

Of the federal expenditures presented in the accompanying Schedule of Expenditures of Federal Awards, the County provided federal awards to Sub-recipients as follows:

Temporary Assistance for Needy Families	CFDA 93.558	\$ 57,231
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